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Demographic and social statistics: health statistics

Report of the World Health Organization on health statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fifth session,* the Secretary-General has the honour to transmit to the Commission the report of the World Health Organization on health statistics. The Commission may wish to comment on the progress made thus far by the World Health Organization with regard to its recommendations.

* E/CN.3/2005/1.

* See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24 and Corr.1), chap. II.C, para. 4 (e).

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Report of the World Health Organization on health statistics

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I. Introduction

1. At its thirty-fifth session, in March 2004, the Statistical Commission, had before it the report of the Friends of the Chair on health statistics (E/CN.3/2004/4), and underscored that health statistics are an integral part of social statistics, strongly influenced by economic and environmental concerns, and that the Fundamental Principles of Official Statistics should be applied in the development of official health statistics. Specifically, the Commission called for:

(a) A strategic review of international programmes on the production of health statistics, including vital statistics and disability statistics, also intended to reach agreement on areas of responsibility of the agencies involved;

(b) An intersecretariat working group on health statistics to develop a coordinated and integrated agenda for the production of health statistics and agree on standard definitions, classifications and methodologies in health statistics, taking advantage of existing mechanisms wherever possible and involving the community of official statistics at all stages;

(c) An annual report to be prepared by the World Health Organization (WHO) to the Commission on progress on specific initiatives in support of harmonization of concepts, definitions and methods, and improved coordination of health statistics programmes at the different levels, as well as capacity-building efforts in countries, especially those most in need.

2. The present report has been prepared in response to the request of the Statistical Commission.

II. Background

3. Measurement in the area of health is conceptually and technically complex, requiring both statistical, public health and biomedical knowledge and expertise unique to each disease or programme area. Accurate measurement in health is highly dependent on the availability of disease-specific biometric tests, clinical diagnoses and population-level measurability; thus, different health statistics vary greatly in terms of the reliability and validity of the indicators, and the feasibility and accuracy of measurement instruments. This complexity means that there is no uniform measurement strategy across the range of health statistics. The technical challenges are compounded by the weakness of health information systems in developing countries. Even the most fundamental health indicators — numbers of deaths — are generated using different approaches depending on country circumstances, age and sex of the deceased and cause of death. The measurement of health status, incidence and prevalence of disease, health-related behaviours and risk factors, all require different approaches and no single methodology is likely to work in all settings. The measurement of such complex health indicators as quality-adjusted life years or disability-adjusted life years is problematic in countries with weak health information systems; these are the very countries with the biggest burden of disease. There is as yet no universal agreement on the measurable dimensions of health system functioning.

4. In the light of this complexity, country and global actors involved in the production and use of health statistics have developed a range of approaches for

coordinating the production of different health statistics and agreeing on standard definitions, classifications and methodologies. Disease- and programme-specific inter-agency and expert working groups have been established, some of which are described in the present report. Some of these coordination efforts have a long and well-established history; others function on an ad hoc basis to address particular measurement issues.

5. The present report describes ongoing efforts to strategically coordinate the generation of health statistics and to support countries in strengthening their health information systems accordingly. In particular, the report addresses the following issues:

(a) Strategic review of international programmes on the production of health statistics;

(b) Support to statistical capacity-building at the country level;

(c) Coordination of international programmes on the production of health statistics;

(d) Harmonization of definitions, classifications and methodologies;

(e) Collaboration at the regional level between WHO and other agencies involved in health statistics;

(f) Alternative methods of estimating the prevalence of HIV/AIDS.

III. Strategic review of international programmes on the production of health statistics

6. The health statistics arena is characterized by three mutually reinforcing problems: health statistics are technically demanding from a measurement and an analysis perspective; health information systems are inadequate; countries with the weakest health systems are those with the greatest overall burden of ill-health. For several years, efforts to fill gaps in the availability of sound health data have focused on technical issues related to definitions and methodologies (see sect. IV below for a description of ongoing work in this area). More recently, attention has been drawn to the need to address the underlying weaknesses of health information systems as the mechanisms by which sound data can be generated. In July 2003, WHO, the Bill and Melinda Gates Foundation, and a range of country and international partners involved in the generation, analysis, dissemination and use of health-related data, started a year-long process of reviewing health information systems around the world. This development phase consisted of interactions with country technical partners in both the health and statistics communities (ministries of health, national statistics offices). Discussions also involved international partners, including the Joint United Nations Programme on HIV/AIDS (UNAIDS), the Department of Economic and Social Affairs of the United Nations Secretariat, the United Nations Children's Fund (UNICEF), the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria. In addition, a number of bilateral donors and regional centres of excellence contributed to the review.

7. The process culminated in the production of technical and strategic documents describing the strengths and weaknesses of current health information systems and

outlining a way to strengthening them in the future. These documents served as the basis for a proposal to the Bill and Melinda Gates Foundation and for the establishment of a global collaboration for health information, the Health Metrics Network. The Network Board membership reflects the strong focus of the collaboration on bringing together health and statistics constituencies at global, regional and country levels in order to strengthen the ability of countries to generate, analyse, disseminate and use sound health statistics. Board members include representatives in developing countries of the ministries of health, national statistics offices and regional research centres. Representatives of the multilateral system are UNICEF, the World Bank, the Department of Economic and Social Affairs and WHO. Bilateral donors, foundations and public/private partnerships include the United States Agency for International Development (USAID), the United Kingdom Department for International Development, the Danish International Development Agency, the Bill and Melinda Gates Foundation, the European Commission, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and UNAIDS. Other Board members are the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD), the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21), and the United States Centers for Disease Control and Prevention in Atlanta, Georgia. The Health Metrics Network secretariat is currently located in WHO headquarters.

8. The goal of the Health Metrics Network is to catalyse the development of country health information systems, thus increasing the availability and use of timely and sound information to support health-related decision-making at the country and global levels. In support of this goal, the Network has three objectives:

(a) To forge consensus around technical approaches, including tools, indicators and analyses to guide and drive the development of country health information systems and enhance access to, and quality of, data;

(b) To provide technical and financial support to countries to strengthen their health information systems; and

(c) To develop policies, systems and incentives to ensure access to, and use of, information for decision-making in countries and throughout the world.

9. Following the formal receipt of funding, anticipated at the end of 2004, WHO will work with Network partners to elaborate a work plan and to formalize administrative and management arrangements. A first step will involve elaborating modalities of cooperation with country partners. WHO will report on progress to the Statistical Commission at the 37th meeting of the Commission.

10. After collaboration with countries, WHO also reports on some aspects of health expenditure for its 192 member States each year in the *World Health Report*, while continuing to develop a database on other aspects of health expenditure. It bases its work on the *Guide to Producing National Health Accounts, with Special Applications for Low-Income and Middle-Income Countries*, a manual for developing countries, which was prepared jointly with USAID and the World Bank, and is based on the OECD manual entitled *A System of Health Accounts* (SHA). The *Guide* also had strong input from OECD. While the *Guide* builds on SHA, it is recognized that many poor countries will be unable to implement SHA fully in the near future. Indeed, some OECD and European Union (EU) countries still do not

use SHA. Discussions with various partners about the need to review SHA in view of the problems that have emerged in poor countries over the last few years are ongoing. Discussions are continuing about incorporating work on national health accounts into the Network.

IV. Supporting statistical capacity-building at the country level

11. The primary focus of the Network will be to provide countries with technical and financial support to strengthen their health information systems. In support of this, WHO and Network partners are developing a consensus technical framework to guide overall support to country health information systems development. The first draft of a technical framework is under development and will be reviewed by technical experts during the first half of 2005. Application and refinement in countries identified for Network support will commence shortly thereafter. Work is also continuing on criteria for country selection and on a plan that will permit Network support to scale up rapidly.

12. The capacity of countries to produce internationally comparable statistics very much depends on the use of international classifications and standards in national health information systems. WHO provides technical and financial support to countries for introduction of the International Statistical Classification of Diseases and Related Health Problems (ICD), an international definition of live births and other international standards.

13. As part of its support to country health information systems, WHO has developed innovative approaches to data collection at the district level. The service availability mapping tool, seeks to fill the gap between such tools for use at the national level as household surveys, and data collection at the patient and facility levels. The objective of the tool is to provide timely information on the availability and coverage of specific public and private health interventions and resources in a given district and country. The tool is a simple assessment carried out at the district level by the district health team, which can provide strategic information on the necessary link between scaling up programmes and strengthening health systems. The information collected from the districts is linked to a global positioning system (GPS) or geographical information systems (GIS) database containing the geographic coordinates of each health facility. This allows the production of maps demonstrating the distribution of specific interventions at the district level. The long-term objective of this tool is to enable district and national planners to use service availability mapping as a key tool for public health decision-making. A key feature of the tool is that it permits analysis of inequities in the availability of services both within and between districts. The tool focuses to a great extent on programmes that are scaling up, such as access to antiretroviral therapy, but is useful for a range of different programmes, including those on child survival, safe motherhood, malaria and tuberculosis. In addition, the tool provides crucial information about the health system's readiness to handle major programmes, looking at, for example, the availability and distribution of human resources, essential infrastructures and equipment.

14. During 2002-2003, WHO worked with statistical offices in many countries to implement the World Health Survey. Currently, WHO is cleaning the data sets in close collaboration with country counterparts and some of its regional offices have

resources to provide technical assistance to countries. WHO has been working towards providing countries with basic tabulations and clean data sets. It is envisaged that country statistical offices will be the key users of Survey data in terms of analyses at the country level.

15. WHO continues to work with countries to strengthen their ability to track and report health expenditure information. Few other agencies are involved in this type of activity, although some sponsor external teams to conduct expenditure reviews or national health account exercises on a one-time basis.

V. Coordination of international programmes on the production of health statistics

A. Harmonization of household surveys

16. In recent years, household surveys have become a dominant form of health-related data collection in developing countries. A number of survey programmes are sponsored by such international agencies as UNICEF, USAID, the United States Centers for Disease Control and Prevention, the World Bank and WHO. As a result, over the past 20 years, considerable progress has been made in terms of data availability, and national capacities to collect and process data have been strengthened. But the plethora of survey programmes has come at some considerable costs in terms of overlap and duplication and a heavy demand on fragile country statistical systems. In response, international agencies are stepping up their collaborative efforts around the harmonization of questionnaires and improved sharing of results. For example, UNICEF and the Opinion Research Corporation subsidiary, Macro International Inc., are working together to coordinate the timing of the multiple indicator cluster surveys and the Demographic and Health Surveys (DHS), and to maximize harmonization of their respective questionnaires. Preliminary discussions have started to enhance coordination with other health-related survey programmes.

17. During the development of the Health Metrics Network, the need to integrate household surveys into the health information system and to improve coordination was discussed. A similar recommendation emerged from the Marrakech Action Plan for Statistics, which called for establishment of an international household survey network.[1] Household surveys have a critical role in generating health data, and the high-level forum on health-related Millennium Development Goals at its meeting in January 2004 and the Board of the Health Metrics Network at its first meeting both stressed the importance of inter-agency collaboration on the issue. In follow-up, the World Bank Development Economics Data Group and WHO convened consultations in Washington, D.C., and Geneva, with the participation of key survey sponsors, including those involved in the formation of the Network. Participants included the Asian Development Bank, the United Kingdom Department for International Development, the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organization (ILO), the Center for Population, Poverty and Public Policy Studies/International Networks for Studies in Technology, Environment, Alternatives, Development, the Intersecretariat Working Group on Agriculture Statistics, the Norwegian Social Science Data Services, Macro International and the Demographic and Health Surveys, PARIS 21, the secretariat of

the Pacific Community, UNICEF, the United Nations Development Programme (UNDP), the Economic Commission for Africa, the Economic Commission for Europe (ECE), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic Commission for Latin America and the Caribbean (ECLAC), and the Economic and Social Commission for Western Asia (ESCWA), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Statistics Division, the Economic Research Service of the United States Department of Agriculture, the University of California, Global Health Sciences and USAID.

18. Those meetings resulted in the establishment of the International Household Survey Network, the goal of which is to promote enhanced survey coordination, greater harmonization, and improved tools for the archiving and dissemination of survey microdata and metadata.[2] An immediate product of this collaboration is expected to be a central survey data archive and dissemination toolkit, which is currently under development at the World Bank and will offer the possibility of building a common register of survey data. The World Bank is sharing its work with such key partners as WHO and UNICEF to expand the contents of the database.

B. National health accounts

19. In addition to helping to prepare the above-mentioned *Guide* (see para. 10 above), WHO interacts with the Development Assistance Committee of OECD on estimates of external flows of funds from bilateral donors and with the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Bank, UNAIDS and a number of bilateral agencies interested in tracking expenditure on specific diseases or activities.

VI. Harmonization of definitions, classifications and methodologies

A. Definitions and methods for health statistics

20. In the past few years, WHO has worked with many partners to improve coordination of definitions, classifications and methodologies in the area of health statistics. Because each area of health statistics requires a specific combination of technical and statistical expertise, reference groups have been established focusing on different disease-related and programme areas.

21. Child mortality is a key indicator for monitoring progress towards country and global goals, including the Millennium Development Goals. Work on reconciling child mortality estimates derived from different sources has continued and there is now agreement to work towards a single set of estimates that will be used by all international agencies. The foundation will be a common database and uniform, transparent estimation methods. In addition, considerable progress has been made in addressing the complex causes of child deaths, information that is critical for determining programmatic interventions. An important new area of work concerns estimates of deaths occurring in the first month of life. Considerable progress has been made in generating consensus on regional and global figures in that area. This body of work has been carried forward by multilateral agencies (WHO, UNICEF,

the World Bank, the United Nations Population Division) working closely with technical experts at Johns Hopkins University, the London School of Hygiene and Tropical Medicine, the United States Centers for Disease Control and Prevention and Aga Khan University, among others, and development partners that work in the area of child survival, such as Saving Newborn Lives.

22. WHO is the primary organization that provides estimates on cause-specific mortality. A major problem has been the lack of accurate cause-specific mortality data from developing countries, especially those with higher levels of mortality. These data gaps need to be addressed, both by stepping up efforts to work with countries and initiatives to obtain more recent mortality data, and by collaborating with partners to promote better tools (e.g. for verbal autopsy) and investment in data collection and analysis. There is also a need for better harmonization of cause-specific mortality estimates within WHO and with other United Nations bodies and academic institutions. WHO also aims to be consistent in its use of the mortality "envelope", that is, the total number of deaths irrespective of cause. Up-to-date estimates of the size of the envelope by age and sex are crucial for WHO in order to ensure that programme and disease-specific estimates of mortality (and morbidity) are internally consistent and fit within the global or regional envelope.

23. In 2001, WHO established a technical advisory group to help improve the estimates of cause-specific mortality in childhood, which has succeeded in furthering the work on estimates of cause-specific mortality and has been very active and productive over the last few years. Given an increasing demand for country-specific estimates of cause-specific mortality in childhood, both for health planning and evaluation purposes, WHO, in close collaboration with other agencies of the United Nations system and academic institutions, will continue to support such activities, with more emphasis on the development of estimates of the lead cause of death distribution at global, regional, subregional and country levels, and design a process and method to update such estimates over time.

24. Similar coordination groups exist in other areas of health.

25. The Malaria Monitoring and Evaluation Reference Group focuses on the development of indicators and data collection methods for coverage of malaria interventions, malaria prevalence (and proximate indicators) and malaria mortality (and proximate indicators). The Group includes experts from WHO, UNICEF, the United States Centers for Disease Control and Prevention and a number of university departments working in this area.

26. The WHO and UNICEF joint monitoring programme for water supply and sanitation maintains a database that brings together administrative data on water supply and sanitation, as well as data generated from such community surveys as the UNICEF-supported multiple indicator cluster surveys, the USAID-supported DHS, and censuses. The various sources provide the basis for the international estimates of water and sanitation coverage.

27. The HIV/AIDS Epidemiological Reference Group brings together epidemiological experts and provides guidance on methods for estimating and projecting HIV/AIDS prevalence, globally and in countries. The group is jointly chaired by WHO and the UNAIDS secretariat and involves UNICEF, the Department of Economic and Social Affairs and technical experts.

28. The HIV/AIDS Monitoring and Evaluation Reference Group provides guidance on programme monitoring and evaluation and on related indicators for monitoring progress towards international targets, including the Millennium Development Goals. The Group involves WHO, the UNAIDS secretariat and UNICEF, as well as a range of technical experts.

29. The Maternal Mortality Peer Review Group reviews methods used for generating internationally comparable estimates of maternal mortality. The group is composed of WHO, UNICEF, the United Nations Population Fund (UNFPA), the United Nations Population Division, the World Bank and technical experts.

B. Family of international classifications

30. The World Health Organization maintains two reference classifications in health, namely ICD and the International Classification of Functioning, Disability and Health (ICF), which are members of the United Nations family of economic and social classifications.

31. Following the mandate given by the World Health Assembly in 1990, WHO has established an ongoing updating process to incorporate new scientific knowledge (e.g., on SARS and new emerging diseases). A major revision of ICD is planned for 2010.

32. Implementation of ICD remains problematic in countries lacking comprehensive vital registration of death with certification of cause of death. Of the 192 WHO member States, nearly 80 are unable to generate mortality statistics using ICD as required by WHO regulations. These are the very countries that have the most serious burdens of mortality and morbidity. To address the issue, WHO has developed a short mortality list and various tools to assist countries in reliably and efficiently applying the classification in the collection of mortality statistics.

33. Adopted in 2001 as the international standard for health and disability statistics, ICF has now been translated into 30 languages, and the development of various tools to facilitate its implementation is under way. Most importantly, the Washington Group on Disability Statistics has taken ICF as a basis for its efforts to develop census and survey questions. At the regional level, WHO is collaborating with ESCAP and ESCWA in projects to improve disability statistics in those regions by using the ICF framework. Similarly, the ECE meeting on health status also based its approach on ICF.

C. Measurement of burden of disease and health states

34. WHO is continuing to develop tools to facilitate country-level analysis of burden of disease and the attributable burden of risk factors using standard methods and definitions. These tools are currently being finalized and tested in collaboration with a number of research groups.

35. In the area of health states, an individual's health state can be conceptualized as the capacity to function in a given set of domains linked to the conceptual framework of ICF. Determinants of health status, risk factors and interventions are important and should be measured in health interview or examination surveys but need to be separated from the measurement of health status per se. Comparability of

data to permit the estimation of levels of individual and population health is dependent on conceptual clarity with regard to what is being measured, a common parsimonious set of domains/attributes; comparable survey instruments that have linguistic and conceptual equivalence; explicit strategies at the design and analytical phase to ensure comparability across population groups; and demonstrated reliability and validity.

36. The choice of domains for measurement of health states should be dictated by the feasibility of their inclusion in health interview surveys (e.g. brevity, clarity, psychometrics). There is consensus around broad domains of "functioning" — physical (mobility, dexterity, self-care, cognition), mental (memory and concentration), sensory (seeing, hearing), other important domains (pain/discomfort, vitality/fatigue), psychological functioning (affect/anxiety, interpersonal relationships) and social functioning.

37. A working group has been established to work towards the development of a new common instrument, building on the work already done by national and international organizations with regard to health surveys, and will coordinate with existing groups such as the Eurostat group on health information systems and the Washington Group. A steering group comprising Canada, the United States of America, WHO, Eurostat and ECE will oversee this exercise.

D. Approaches for tracking the health-related Millennium Development Goals

38. The health-related Millennium Development Goals consist of a few health-status indicators (mortality, morbidity and nutritional status) and a selected number of health programme coverage indicators (immunization coverage, maternity care, condom use). Many of the indicators are difficult to monitor on a short-term basis because measurement techniques are subject to wide margins of uncertainty, and the indicators are slow to change and are poorly responsive to programmatic inputs. At the above-mentioned meeting of the high-level forum on health-related Millennium Development Goals, participants called for the identification of a limited set of indicators that could be used for regular (biannual) monitoring of progress, performance-based disbursement of funds and for informing such non-health constituencies, as ministers of finance, about progress.

39. In response to this challenge, WHO organized a one-day meeting of agency, donor and academic experts in June 2004. Meeting participants agreed to explore different options for responding to this call, including exploration of:

(a) The extent to which health-service or health-programme indicators can be used as predictors of levels and trends in health-status indicators;

(b) A limited set of health-system performance indicators that could be used alongside the health outcome indicators to monitor system-wide progress towards the health-related goals;

(c) A possible health commodity index that associates well with levels of health status and health trends;

(d) The strength of association between available data on health expenditures and trends in the Millennium Development Goals;

(e) Ways to obtain better disaggregation of proxy indicators;

(f) A menu of good practice intermediate indicators to help countries identify the best set of indicators to monitor their own programmes, of which a small subset could then be highlighted and promoted as key indicators for international monitoring.

40. In order to move the agenda forward regarding health-system statistics, WHO and the World Bank have convened country and technical partners to examine definitions and methodologies, and an initial set of health-system metrics focuses on financing and the fair and efficient use of resources, human resources, health information, drugs, diagnostics, equipment and infrastructure, and policies, institutionalization and governance. This effort will build upon existing work on health-system indicators and performance assessments[3] and is intended as a first step towards reaching consensus around a limited set of core indicators of health systems that can be used by developing countries to regularly monitor progress towards strengthening their systems, especially in the context of achieving the Millennium Development Goals.

41. Progress in this work will be reported to the meeting of the high-level forum to be held in Abuja in December 2004.

VII. Collaboration at the regional level

42. The WHO regional office for the Eastern Mediterranean attended an expert group meeting on data and indicators to monitor progress towards the Millennium Development Goals in the ESCWA region in February 2004. An important outcome of the meeting was an agreement that Arab States should establish mechanisms to ensure consistency in data at national levels and should regularly report new and updated data to ESCWA, the United Nations Statistics Division, WHO and other competent agencies to ensure consistency in data at regional and global levels. It was also agreed at the meeting that central statistics offices and ministries of health should adhere to WHO standards for the collection of health-related data and WHO calculation methods for health-related indicators, especially in the preparation of data and indicators concerning the Goals. To facilitate this, WHO agreed to provide needed guidance on data collection and analysis.

43. WHO attended the forum for African statistical development, hosted by the ECA in May 2004 and presented a summary of the development phase of the Health Metrics Network, focusing particularly on the potential for collaboration and mutual reinforcement of efforts to strengthen statistical capacity in the area of health statistics. Specifically, in collaboration with the forum, the development of national vital registration systems in the framework of strengthening the national health information systems will be a priority.

44. The joint meeting of ECE, WHO and Eurostat on the measurement of health status was held in Geneva from 24 to 26 May 2004. The meeting focused on the development of common instruments to measure health states in multiple dimensions. The WHO conceptual framework to measure health was agreed upon.

45. WHO is a decentralized agency with five independent regional offices. The global organization works closely to respond to the demand for timely, reliable and consistent information on key health indicators, including the Millennium

Development Goals. At all levels, WHO collects and summarizes a wide range of quantitative data from a variety of health domains. These data are used internally by WHO for setting policy and are widely disseminated in formal publications, as well as through more informal mechanisms, both electronically and in print. Information published by WHO is frequently used worldwide for benchmarking, for advocacy of particular policies, for monitoring achievements towards internationally accepted goals and targets and for guiding technical strategies and responses.

46. At the regional level, for example, the WHO Regional Office for Europe maintains a set of databases, including basic and topic-specific health statistics for European countries, which are widely used for health-situation analyses and benchmarking in Europe.[4] The Regional Office for Europe also regularly participates in the technical meetings of the European Commission (Eurostat and the Health and Consumer Protection Directorate-General) and OECD on the issues related to health indicators, and the harmonization and standardization of data collection and definitions. About half of 52 European WHO member States are also members of EU and/or OECD; it is therefore very important to harmonize methodologies, classifications used and definitions, including common data collection instruments in order to avoid placing an unnecessary burden on countries which may receive different requests of the same data from different organizations. The progress towards such harmonization is particularly noticeable in the areas of cause-of-death statistics, some hospital statistics and national health-system accounts.

47. The WHO Regional Office for the Americas/Pan American Health Organization (AMRO/PAHO) established a GIS technical cooperation line for epidemiology and public health). In 2004, several activities and projects in the cooperation line have been implemented, with specific relevance to strengthening national capacities for using and analysing data from routine health and statistical information systems in GIS. This cooperation line includes application and software development, capacity-building, inter-agency collaboration and development of standards.

48. Together with the United Nations Environment Programme and eight ministries of health and environment in the Mesoamerican region, AMRO established a project to use sustainable alternatives to DDT for malaria vector control. GIS will be set up in each demonstration area for planning, monitoring and evaluating the interventions, using current available data.

49. With WHO headquarters and all WHO regional offices, AMRO has been working to develop a WHO global public health in mapping and GIS strategy, based on experiences and successful histories from Headquarters and each region. The dissemination and use of GIS in epidemiology and public health, the GIS software developed by AMRO for public health and epidemiological analysis using spatial and temporal dimensions, have been very successful during the current year, with applications in Puerto Rico, Brazil, Costa Rica, Canada, the United States, Ecuador, the Dominican Republic and Argentina.

50. In 2004, AMRO established an umbrella project with USAID for public health in Latin American countries for the next three years. As part of that project, a package for health information systems has been developed and put into effect since October. The main purpose of the package is to document and assess the experiences

of Brazil and Mexico in the health information systems region to serve as guidelines for best practices.

51. In 2003, AMRO held a meeting of the regional adviser committee on health statistics. Several recommendations were made by the committee, including preparation of an international course in vital and health statistics.

52. AMRO launched a regional core health data initiative in 1995. The core health data is updated annually, with data received from member States and specialized agencies. The extensive database is accessible through the Internet. A subset of core data is published in a brochure format and distributed among the member States. In 2004, a 10-year evaluation of the regional core health data initiative was issued; it presents an accounting of the results and impact of the initiative and it offers recommendations for consolidating and expanding the initiative. The report was presented to the Directing Council of PAHO in September 2004 at PAHO headquarters.

53. In order to effectively fulfil its data management role, and building upon the work of AMRO and other WHO regional offices, WHO is developing an organization-wide information clearinghouse that compiles, disseminates and maximizes access to sound country-level health indicators. This involves:

(a) The selection of an organization-wide core set of some 50 health indicators, which include the Millennium Development Goals, and are reported through country and regional offices and headquarters;

(b) The development of a standardized format for data management and documentation, including metadata for the core health indicators (empirical data, data source with description, quality of data or data collection effort, methods of estimation and the ultimate estimate). Both country-reported data and best estimates, according to WHO established methods, are presented;

(c) The building of a database maintained by WHO and its application to disseminate core-health indicators using a variety of customized tables, graphs and maps.

VIII. Alternative methods of estimating the prevalence of HIV/AIDS

54. UNAIDS and WHO work together closely in developing estimates of HIV at the country, regional and global levels. A joint UNAIDS/WHO working group meets weekly. Regional estimates are updated annually, country level estimates biannually. The working group is advised by the UNAIDS Epidemiology Reference Group, which includes leading modellers, demographers and epidemiologists in HIV/AIDS, the United Nations Population Division, the United States Centers for Disease Control and Prevention and WHO.

55. An estimation model has been developed for countries, with different methods for generalized and concentrated/low-level epidemics. Recent publications describe the model and the issues related to the use of the model and to the use of population-based surveys in surveillance systems.[5] During the previous two years, more than 120 countries have been trained in the use of estimation and projection software. Guidelines for the use of population-based surveys in surveillance systems are in an

advanced stage of preparation. Active technical assistance is given to countries that have conducted a population-based survey to reconcile surveys and surveillance.

IX. Intersecretariat Working Group on Health Statistics

56. In response to the call by the Statistical Commission at its thirty-fifth session for "an intersecretariat working group on health statistics to develop a coordinated and integrated agenda for the production of health statistics and agree on standard definitions, classifications and methodologies in health statistics, taking advantage of existing mechanisms wherever possible, and involving the community of official statistics at all stages" (E/2004/24, chapter II.C, para. 4 (c)), the Intersecretariat Working Group on Health Statistics has been set up under the joint coordination of the Statistics Division and WHO.

57. As a first step, members of the Committee for the Coordination of Statistical Activities have been solicited to identify specific priority issues that could usefully be addressed by the Intersecretariat Working Group. The report of the Friends of the Chair on health statistics, presented to the Statistical Commission in March 2004, served as a starting point. As of November 2004, a total of eight responses had been received from members of the Committee. A preliminary analysis of the responses found that they fall into three broad groupings:

(a) **Normative, technical and operational issues**, including the identification of core indicators related both to specific health conditions (including maternal and child health, reproductive health, nutrition, and health aspects of the environment, drugs and crime) and to health-system statistics (including national health accounts, human resources, health information and health-system functioning);

(b) **Legal, policy and implementation issues related to the generation and use of health statistics**, including the legal framework for vital registration, rules related to confidentiality and handling of microdata, and the roles and relationships of national statistics offices and national ministries of health;

(c) **Inter-agency collaboration**, including the repercussions of the draft declaration of principles for the domain of health statistics and the roles and mandates of different agencies involved in producing and using health statistics.

58. As already noted in the present report, collaborative mechanisms for addressing statistical issues in several aspects of health are already in place and open to the involvement of additional partners as relevant and appropriate. As a next step, the Statistics Division and WHO will collaborate to undertake further analysis of the proposed list of issues and outline a process for further collaboration on key aspects of health statistics. This process will build upon available mechanisms to the maximum extent possible. The Health Metrics Network and its associated task forces and working groups will provide a vehicle for further stakeholder involvement in a number of the issues identified, including vital registration systems, national health accounts and health-system functioning. The work of Network partners in countries will focus explicitly on strengthening collaboration between ministries and health and national statistics offices, and on involving a broad range of country partners, including external donors and development agencies, and civil society in health information system strengthening.

X. Conclusion

59. WHO is committed to the dissemination and application of the declaration of principles in its own work and will work to ensure this throughout technical programmes. It will continue to engage in regular consultations with key users and producers of health statistics to ensure the timeliness, quality, access and use of health-related data. The establishment of the Health Metrics Network will further contribute to enhanced collaboration among partners involved in producing and using health data, and to building closer and more productive partnerships between health and statistics constituencies at global, regional and country levels.

Notes

[1] See http://unstats.un.org/unsd/statcom/doc04/marrakech.pdf.

[2] See www.surveynetwork.org.

[3] See for example, J. Hurst and M. Jee-Hughes. "Performance measurement and performance management in OECD health systems", Labour Market and Social Policy Occasional Paper, No. 47 (OECD, Paris, 2001).

[4] See http://www.euro.who.int/InformationSources/Data/20010827_1.

[5] H. Ward, N. Walker and P. D. Ghys, "Methods and tools for HIV/AIDS projections and estimates", *Sexually Transmitted Infections*, 2004, vol. 80, supplement No. 1; N. Walker, N. C. Grassly, G. P. Garnett, K. A. Stanecki and P. D. Ghys, "Estimating the global burden of HIV/AIDS: what do we really know about the HIV pandemic?", *Lancet*, June 2004; J. T. Boermat, P. D. Ghys and N. Walker, "HIV estimates from national population-based surveys: a new gold standard for surveillance systems", *Lancet*, 2003.

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Demographic and social statistics: poverty statistics

Poverty statistics

Report of the Secretary-General

Summary

The present report is submitted to the Statistical Commission in accordance with a request of the Commission at its thirty-fifth session.* It contains an update on the preparation of the *Handbook on Poverty Statistics*. After recalling the objectives of the *Handbook*, the report describes the tangible intermediate outputs achieved to date and explains how the proposed outline of the *Handbook* was modified to address the specific concerns raised by the Commission at its thirty-fifth session. Furthermore, it outlines elements of a work programme on poverty statistics that is proposed for the medium term. The report is presented to the Statistical Commission for information.

* *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap I.A.

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* E/CN.3/2005/1.

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I. Objective of the *Handbook on Poverty Statistics*

1. The overall objective of the *Handbook on Poverty Statistics* is to assist statisticians in member countries in facing the growing demand for official poverty statistics at the national and international levels. In particular, the *Handbook* will present a succinct technical review of current country practices of official poverty statistics in view of identifying the key outstanding operational challenges in poverty measurements. The *Handbook* will also offer practical solutions to address the technical weaknesses of some current practices of official poverty statistics with the objective of improving accuracy and comparability of poverty estimates across subnational regions and across countries and over time.

II. Project accomplishments and intermediate results

2. The project activities in preparation for the *Handbook* are progressing under the supervision of the Steering Committee according to the timetable of the project. Four regional workshops on poverty measurements were conducted: in the Latin America and the Caribbean region in May 2004, in the African region in July 2004, in the Asia and Pacific region in October 2004 and for the countries of the Economic and Social Commission for Western Asia (ESCWA) region in November 2004. The workshops offered an opportunity to review the current practices of poverty statistics in over 60 countries with the aim of sharing experiences among countries and exploring avenues for harmonizing their practices in order to improve (a) the quality of poverty statistics and (b) poverty comparisons between different countries.

3. The review has shown that countries are at very different levels with respect to official poverty measures, both within and across regions. A small number of countries has established practices based on a solid conceptual basis, although they still face a number of technical limitations with respect to empirical studies. The majority of countries have very little experience in poverty measurements, having conducted only one or no poverty studies over the past. Even though there exist similarities in the current practices, there are also important variations as well. This situation suggests a two-step process towards improved international comparability of poverty data: first, promote harmonization of practices within (and across) regions; and second, establish some standards in the practice of poverty measurement that would be acceptable to countries and would improve regional comparability, while at the same time preserving countries' particularities to a certain degree.

4. It is envisioned that the *Handbook* would provide practical guidance to assist countries in addressing specific poverty measurement issues and the harmonization of measurement and data-collection practices, including (but not limited to) setting up the calorie threshold(s); establishment and use of reference groups in the construction of poverty lines; use and construction of adult equivalence scales; accounting for geographical differences in consumption patterns and cost of living; establishing the frequency of updates of estimates and revisions of methodologies, including changes of base years; data capture; and data-collection practices in general. It is stressed that the *Handbook* should provide countries with practical measurement options, taking regional and local specificities into consideration to the extent possible.

5. The regional workshops were organized in close collaboration with the regional commissions, members of the Rio Group on Poverty Statistics and other relevant regional bodies, including the Pan-American Health Organization, the Observatoire économique et statistique d'afrique subsaharienne, the Economic Community of West African States and the Asian Development Bank. Partner organizations have not only actively participated in the workshops but are also providing substantive inputs into the publication. The United Nations Statistics Division has also reached out to the United Nations Development Programme (UNDP)-sponsored International Poverty Centre and they have agreed to contribute to selected chapters of the *Handbook*.

III. Amendment to the outline of the *Handbook*

6. In order to further stress that the *Handbook* should not be prescriptive in nature, as noted by the Commission at its thirty-fifth session, the outline of the *Handbook* was amended to emphasize that it will mainly present the "state of the art" of poverty statistics rather than developing new concepts or methods; any recommendations will be based on a number of options from which countries may choose.

7. A separate chapter on international poverty comparisons was originally proposed for the *Handbook*. However, discussions during the workshops stressed the need to keep the focus of the *Handbook* on national poverty measures and to assist countries in closing the data gap among them. It was felt that sound national poverty data need to be the foundation of reliable global poverty comparisons.

8. Furthermore, noting that the current global poverty measures used for international poverty comparison are based on both national data and purchasing power parities (PPPs), the United Nations Statistics Division has limited mandate and resources to address the issue of PPPs. However, the publication intends to give due consideration to the issue of international comparison by exploring the applicability of harmonized conceptual approaches to poverty measurements and by promoting common protocols for data collection at the national level. This will lead to more comparable poverty data both among countries and across regions. As a consequence of these considerations, the issue of international poverty comparisons will be presented in a new statistical annex of the *Handbook*.

9. The proposed statistical annex will explore the feasibility of adopting a non-income based poverty measure that would directly lend itself to international comparison, without having to be converted through international PPPs or other international parity indices, and based on which the link between national and global poverty estimates would be more readily understood. Preliminary findings of the workshops indicate that poverty estimates based on dietary calorie intake are well conceptualized and implemented with a fair degree of consistency within regions and to some extent across regions. A questionnaire was developed based on current practices in the Latin American and the Caribbean countries to collect food-based poverty data. The questionnaire was further elaborated and expanded to capture key methodological specificities of food-based poverty measurement practices in the African region. The revised questionnaire was then tested and finalized based on the practices in the Economic and Social Commission for Asia and the Pacific (ESCAP) and ESCWA regions. Of the more than 60 countries that

have participated in the four workshops, approximately 80 per cent (at a minimum) collect food-based poverty data and can provide the corresponding metadata. This will allow the United Nations Statistics Division to conduct a comparative analysis of food-based poverty measures based on the replies to the questionnaire.

10. The Division is also currently analysing the findings concerning the measurement practices of non-food essential needs. Country practices are commonly based on either Engel's regression or a list of essential non-food items. These two approaches could form the basis for collecting non-food data with some degree of consistency within each approach. However, further empirical work will be required, which will build on both the Division's ongoing work on the Millennium Development Goals and interim country reports prepared by UNDP.

IV. Current and future activities

11. During the first months of 2005, the chapters of the *Handbook* will be drafted by a group of specialists selected and approved by the Steering Committee of the project. All chapters will go through a process of peer review, before being compiled into a first draft volume of the *Handbook*, which will be widely circulated to solicit comments from countries and experts around the world. The final review of the *Handbook* will be conducted by an expert group meeting to be organized in the second half of 2005. Should the Rio Group go ahead with its current plans to elaborate a draft compendium of poverty statistics, special efforts will be made to ensure that the two publications will be consistent and complementary. The publication of the *Handbook* is planned for the end of 2005. In order to ensure transparency of the process, the United Nations Statistics Division will continue to update its poverty project web site (http://unstats.un.org/unsd/methods/poverty/default.htm), on which all intermediate products are being posted.

12. In the light of the current findings of the project, in particular the feedback received from countries during the workshops, the Division is exploring the possibility of preparing in the medium term a statistical publication on both food and monetary poverty estimates. This would require an empirical study in support of the formulation of a questionnaire to collect comparable non-food/non-income poverty, building on the Division's ongoing work on the Millennium Development Goals and interim country reports on the Goals prepared by UNDP (2005). The Division is also seeking to develop relevant partnerships in the United Nations system, in particular with the regional commissions and the Food and Agriculture Organization of the United Nations to build on their work and to avoid duplicating data collection.

13. After the publication of the *Handbook*, the Division also intends to conduct a programme of statistical capacity-building with respect to poverty statistics, in particular in the form of regional and subregional training workshops to close the capacity and data gap between countries.

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Demographic and social statistics: disability statistics

Report of the Washington Group on Disability Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-fifth session,** the Secretary-General has the honour to transmit to the Statistical Commission the report of the Washington Group on Disability Statistics (secretariat: National Center for Health Statistics, United States of America). The report is submitted to the Statistical Commission for information.

* E/CN.3/2005/1.

** See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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Report of the Washington Group on Disability Statistics

Purpose

1. The main purpose of the Washington Group on Disability Statistics is the promotion and coordination of international cooperation in the area of health statistics by focusing on disability measures suitable for censuses and national surveys which will provide basic necessary information on disability throughout the world. More specifically, the Washington Group aims to guide the development of a small set or sets of general disability measures, suitable for use in censuses, sample-based national surveys, or other statistical formats, for the primary purpose of informing policy on equalization of opportunities. The second priority of the Washington Group is to recommend one or more extended sets of survey items to measure disability, or principles for their design, to be used as components of population surveys or as supplements to specialty surveys. These extended sets of survey items are intended to be related to the general measure(s). The World Health Organization (WHO) International Classification of Functioning, Disability and Health (ICF) has been accepted as the basic framework for the development of the sets.

2. All disability measures recommended by the group, general or extended, will be accompanied by descriptions of their technical properties and methodological guidance will be given on their implementation and their applicability to all sections of the population. The Washington Group will disseminate work products globally through the World Wide Web.

Participants

3. Representatives of national statistical offices, international organizations and non-governmental organizations participated in the last four meetings.

4. Current country representatives include Australia, Austria, Belgium, Brazil, Canada, Columbia, the Czech Republic, Denmark, Egypt, Estonia, Finland, France, Greece, Hong Kong (China), Hungary, India, Ireland, Israel, Italy, Latvia, Macao (China), New Zealand, the Netherlands, Norway, Palestine, Peru, the Philippines, Poland, Romania, Sierra Leone, Slovenia, South Africa, Spain, St. Lucia, Sweden, Turkey, Uganda, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

5. Current international and non-governmental organizations include the European Disability Forum, Eurostat, the International Federation for Spina Bifida and Hydrocephalus, the International Development Project, the International Labour Organization (ILO), the Organization for Economic Cooperation and Development Health Policy Unit, the Partnership Health, Eurostat, Rehabilitation International, the United Nations Statistics Division, the Economic Commission for Europe, the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic and Social Commission for Western Asia, the World Bank and WHO.

Past meetings/major outcomes

First meeting: Washington, D.C., 18-20 February 2002

6. It was agreed that: (a) it is important and possible to craft internationally comparable general disability measures; (b) short and long set(s) of measures that are interrelated are needed; (c) the ICF model will be used as a framework in developing disability measures; and (d) census questions are the first priority. Finally, next steps were established.

Second meeting: Ottawa, 9-10 January 2003

7. A link was established between the purpose(s) of a general disability measure and aspects of measurement. A conceptual matrix was developed linking the purpose of a general disability measure with conceptual definitions and question characteristics. An empirical matrix was developed evaluating the characteristics of general measures currently in use according to the dimensions of the conceptual matrix. Both matrices helped the Washington Group to identify gaps in disability measurement.

Third meeting: Brussels, 19-20 February 2004

8. It was agreed that disability is multidimensional, thus we cannot ascertain the single "true" disabled population. Different purposes are related to different dimensions of disability or different conceptual components of disability models. A position paper outlining major classes of purposes of an internationally comparable general disability measure and prioritizing the purpose of equalization of opportunities was discussed by the Group. Equalization of opportunities was agreed upon and selected as the purpose for development of an internationally comparable general disability measure. A set of appendices accompanied the paper. The first provided ICF terms and definitions of the relative ICF concepts; the second provided guidelines for translating those concepts into survey measurement items. A working group was designated to generate a draft set of questions related to this purpose. In addition, two other working groups were formed to propose methods for implementing the general disability measure and to propose an approach for developing extended measurement sets related to it. Finally, a plan for Washington Group governance was adopted.

Products

9. Proceedings (presentations and papers) from the first three meetings, reports to the United Nations Statistical Commission, final meeting reports and information on upcoming meetings can be accessed through the Washington Group web site, currently hosted by the National Center for Health Statistics, United States of America (http://www.cdc.gov/nchs/citygroup.htm).

Report of the 2004 meeting

10. The fourth meeting of the Washington Group on Disability Statistics was held in Bangkok from 29 September to 1 October 2004 and hosted by ESCAP and the Thai National Statistical Office. The meeting was attended by 40 persons representing 23 countries (Africa, Asia, Europe, the Middle East, North America, the Pacific, South America) and five international organizations (the United Nations

and its affiliates, the World Bank, ILO, WHO, Rehabilitation International). The meeting was organized in seven sessions comprised of presentations of draft position papers followed by focused discussion addressing specific session objectives. Session outcomes included key agreements, products and a work plan. Objectives for the fourth meeting were to:

(a) Present work on development of the general disability measure (working group 1);

(b) Discuss the proposed plan for implementing the general disability measure (working group 2);

(c) Discuss the proposed approach for development of extended measurement sets (working group 3);

(d) Discuss methodological issues related to full population coverage;

(e) Discuss strategic issues.

11. There were several key outcomes of the meeting. First, a draft set of questions for the general disability measure was agreed upon conceptually, but wording revisions were required prior to pretesting. Working group 1 (on the general measure) would revise wording of the proposed questions with input from Washington Group members and decide on the final questions, including clarification of revisions made, by December 2004. The question set would undergo cognitive testing and pretesting. Issues requiring testing were delineated. Questions based on six domains at the borderline of the ICF components of body functions/impairments and activities/limitations would be pretested as potential candidates for inclusion; four domains were considered the core (walking, seeing, hearing, and cognition), but two additional domains would also be examined (self-care and communication). A severity scale would be used in the response categories.

12. A new working group (on implementation) was formed to develop six protocols necessary to implement the general disability measure effectively. The protocols included: (a) establishing objectives and an evaluation plan for cognitive and pilot testing; (b) establishing plans for report writing, including tabulation and analysis; (c) establishing plans for cognitive testing; (d) translation; (e) enumerator training; and (f) sample design issues (such as the number of households to be covered and identification of other census questions to be included with the disability questions on the pilot test). Existing protocols, such as the United Nations guidelines and the European Union translation protocol would be used as references. The protocols were to be completed in a four month time frame. Countries willing to participate in pretesting were identified. In view of the comprehensive work involved in the development of those protocols and the strict deadlines, the working group proposed that the group should work in conjunction with a consultant.

13. Working group 3 (on extended measurement sets) would initiate development of the first two extended sets of measures on disability. It was agreed that the purpose of the extended measurement sets was assessment of equalization of opportunities. The extended sets were intended as modules that would go into other existing national surveys. The working group would develop one extended set of questions expanding on the six domains identified for the short general measure (more detail) and adding questions on domains that reflected other basic activities. A second extended set would be developed encompassing more complex

activities/limitations, participation/restrictions and environmental factors. The justification for the extended sets would be specified. The working group would also identify indicators that would be used to demonstrate equalization of opportunities. For the following meeting, members of the working group would develop a paper examining the domains of participation and environment and how they related to existing questionnaires in population-wide surveys.

14. The Washington Group agreed that the issue of persons excluded from national surveys was important and that differences in subpopulations that were excluded from national surveys across countries might affect the comparability of disability measures. A new working group on methodological issues was formed to address the topic of full population coverage as well as other methodological issues, including the effects of proxy and non-response, the effects of questionnaire administration mode and the potential for harmonization of health and disability data using modern calibration techniques. Additional questions would be included in the following country report to identify groups excluded from national surveys. At the following meeting, the working group would examine whether it was feasible to include those subpopulations and whether the proposed questions on disability were relevant for those populations.

15. The United Nations Statistics Division would work on analysing the Washington Group country reports to better understand disparate prevalence estimates on disability. It would report on that work at the fifth Washington Group meeting. The fifth Washington Group meeting would be held in Rio de Janeiro, Brazil, from 21 to 23 September 2005. Objectives for the fifth Washington Group meeting were to:

(a) Present work on continued development of the general disability measure, including revisions based on the results of cognitive and pretesting (working group on the general measure);

(b) Present work on the written protocols and plan for implementing the general disability measure, including lessons learned from pretesting (working group on implementation);

(c) Present work on the development of the extended measurement set and the associated paper on its relationship to participation and the environment (working group on extended measures);

(d) Discuss methodological issues related to proxy and non-response and continue discussion of full population coverage (working group on methodological issues);

(e) Discuss strategic issues.

16. In keeping with the United Nations guidelines, issues of gender bias and other potential sources of bias would be a consideration of all Washington Group work. Executive summaries of the past three meetings were posted on the Washington Group web site (http://www.cdc.gov/nchs/citygroup.htm) together with presentations and papers from the meetings.

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Natural resource and environment statistics: environmental accounting

Environmental-economic accounting

Report of the Secretary-General

Summary

The present report is submitted to the Statistical Commission in accordance with a request of the Commission at its thirty-fifth session.[a] It presents a proposal for the creation of the Committee on Environmental-Economic Accounting, which was discussed at a meeting organized by the United Nations Statistics Division and the United Nations Environment Programme in September 2004. This technical body would coordinate the further development of the Accounting Framework, ensure its successful implementation in Member States to meet policy needs and facilitate the systematic compilation of related environment statistics. Points for discussion are included in paragraph 20.

[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

* E/CN.3/2005/1.

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I. Introduction

1. The United Nations Statistics Division and the United Nations Environment Programme (UNEP) organized a meeting hosted by the European Environment Agency in September 2004 to discuss a proposal for the creation of a Committee on Environmental-Economic Accounting. The meeting brought together representatives from countries at different stages of implementation of environmental accounting from different regions of the world, as well as international organizations. The minutes of the meeting will be before the Commission as a background document.

2. Countries in the meeting reaffirmed that environmental-economic accounting is high on their agenda. They pointed out that the creation of a Committee on Environmental-Economic Accounting was the way forward to mainstream environmental accounting and related statistics and to raise the profile of the accounts as the tool to measure sustainability of growth and development.

3. Countries clearly expressed the need for promoting integrated economic and environmental information systems as opposed to indicators' lists in order to meet the increasing users' demand for conducting integrated economic and environmental policies. They reiterated that environmental-economic accounting would provide the necessary framework for analysing the impact of economic growth on long-term sustainable development.

4. In response to countries' expressed demand, the United Nations Statistics Division would develop a strategic plan to integrate environment accounting and related statistics in a common framework. The vision of the Division was to mainstream environment accounting to make it a policy-relevant framework and better meet user demand.

5. The present report summarizes the discussion at the above-mentioned meeting and outlines the Division's strategic response to countries' request to support the establishment of a technical body to be named the Committee on Environmental-Economic Accounting.

II. Committee on Environmental-Economic Accounting

6. Although the initial proposal of UNEP and the United Nations Statistics Division was restricted to the creation of a task force that would deal with the promotion and implementation of environmental-economic accounts, it became evident that, in order to effectively advance this new area of statistics, a technical body that would encompass all aspects of environmental-economic accounting should be created. The discussion during the meeting, as well as the responses to a questionnaire[1] which was distributed to the participants prior to the meeting, confirmed this idea, and the following five broad areas of work for the proposed Committee were identified: (a) coordination, (b) promotion of the accounts to the user's community, (c) methodology, (d) technical cooperation and (e) harmonization of data. These areas are discussed in more detail below.

A. Coordination

7. Although it was recognized that the London Group on Environmental Accounting was efficiently coordinating activities in the development of methodologies among its members, there remained a void in terms of overall coordination of activities in environmental-economic accounting. In particular, coordination among agencies active in the environmental field — users and producers of environment statistics and accounting — was considered necessary to raise the profile of environmental-economic accounting. The systematic dissemination of country practices, as well as sharing information on technical cooperation activities, was also considered important. As a result, participants in the meeting recommended that the proposed Committee play a major role in coordinating activities in environmental-economic accounting.

8. In response to these demands, the United Nations Statistics Division would undertake a worldwide scope and compliance assessment of the current data-collection methods being used in countries and current practices in the compilation of environmental-economic accounting. Over time, the Division had planned to develop a reference web site which would contain information of ongoing data-collection activities, an electronic archive of past and recent case studies in environmental accounts, training material in environment statistics and accounting, information on ongoing country projects and a roster of experts. The web site would serve as a "knowledge management" platform on environmental accounting and related statistics for the dissemination and sharing of information (good practices, methodologies etc.).

B. Promotion of the accounts to the users community

9. Raising awareness of the uses of the accounts beyond the statistical community was considered an important activity of the proposed Committee. The accounts were mostly supply driven, at least at the initial stage of compilation, and the users' community was not fully aware of the potential uses of the accounts. The proposed Committee should play a more active role in raising awareness of the potential uses of a well defined internationally endorsed accounting framework that allowed integrating environmental perspectives within economic policies, including income distribution and poverty, international trade, employment, investment, wealth and fiscal policies.

C. Methodology

10. Although the publication of the *Handbook of National Accounting: Integrated Environmental and Economic Accounting* (SEEA 2003) was a major step forward towards the harmonization of concepts and practices in the implementation of environmental-economic accounting, a lot of work was needed to bring SEEA to the level of an internationally adopted standard. A research agenda should include both the harmonization of current practices in areas in which the methodology was already well advanced and the development of best practices in more experimental and high de and areas (valuation of natural resources, non-market services etc.):

D. Technical cooperation

11. The publication of SEEA-2003 had generated renewed interest in environmental-economic accounts. Countries had already and would be in increasing numbers requesting technical assistance in the implementation of the accounts. The proposed Committee should coordinate the development of training materials as well as foster exchanges of best practices.

E. Data harmonization

12. A major constraint to the implementation of accounts was the availability of data. Data were often produced by different agencies and were not always available and suited to be used as such in an accounting framework. Participants emphasized the importance of bringing environment statistics and environmental accounting closer, and urged the proposed Committee to coordinate its activities with other formal bodies dealing with environment statistics, such as the Intersecretariat Working Group on Environment Statistics.

13. The United Nations Statistics Division was working towards the harmonization of relevant environmental data-collection activities with concepts and definitions of environmental accounts. Such harmonization would result in substantial benefits in the quality of the data because it would introduce consistency checks to the environmental data and would also provide additional analytical value. The dissemination of national accounts, complemented with environment statistics information, was a very powerful analytical tool for the derivation of consistent and coherent indicators, such as resource efficiency indicators and resource use as percentage of value added. It would also allow for more in-depth analysis through scenario-modelling using input-output techniques.

F. Organizational structure

14. During the meeting, the organizational structure of the proposed Committee was discussed. Various options were discussed. As for the composition of the proposed Committee, there was a general consensus that members should be senior managers from international agencies and developed and developing countries.

15. There was a clear feeling that the development of specific areas of environmental-economic accounting required technical expertise often available beyond the statistical community. The importance was therefore stressed of developing and maintaining the link with specialists and policy makers. The creation of specific subgroups composed of environmental accountants and other experts that would be responsible for specific time-bound projects was discussed.

16. There was a general concern among participants whether, by undertaking methodological work, the proposed Committee might duplicate the work of the London Group on Environmental Accounting since the London Group provided a forum for the exchange of experience in the field and played a major role in the advancement of methodology. There was general agreement that the London Group should continue to exist and its role would be that of an expert body on which the proposed Committee could rely for the development of methodologies and the review of documents prepared by other subgroups. It was recognized that not all

expertise lay in the London Group and the proposed Committee might have to form technical expert groups dealing with selected issues. Such subgroups could comprise members of the London Group, as well as academia and other experts (scientists, economists etc.).

17. During the meeting, the United Nations Statistics Division offered to serve as secretariat of the proposed Committee, and the United Nations Statistics Division and UNEP offered to co-chair it. Participants welcomed both proposals. The Committee would report to the Statistical Commission.

III. Future work

18. To ensure that, once created, the proposed Committee would operate efficiently and successfully, it was recognized that it should be endowed with additional resources. To that end, UNEP and the United Nations Statistics Division should actively seek funding in terms of either staff seconded to the Division or fund-raising with donor countries. In the meantime, in response to countries' demand, the Division would support the Committee's work until additional funds became available.

19. Detailed terms of reference for the proposed Committee, including time-bound outputs, would be prepared by the United Nations Statistics Division and UNEP. The draft terms of reference would be widely circulated and discussed at the first meeting of the proposed Committee, which was tentatively scheduled for mid-2005.

IV. Points for discussion

20. The Commission may wish to endorse the creation of a Committee on Environmental-Economic Accounting.

Notes

[1] The questionnaire included questions on the status of implementation of environmental accounts in countries, constraints in the implementation of the accounts and possible roles of the Committee. All the replies to the questionnaire are available on the United Nations Statistics Division web site at http://unstats.un.org/unsd/envAccounting/list-of-documents.htm.

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Natural resources and environment statistics:
Environment statistics

Report of the Intersecretariat Working Group on Environment Statistics

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Intersecretariat Working Group on Environment Statistics. The report is transmitted to the Commission for information in accordance with a request of the Statistical Commission at its thirty-fifth session.[a] The Commission is requested to take note of the work done in 2004 and the plans for 2005/2006.

* E/CN.3/2005/1.

[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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Report of the Intersecretariat Working Group on Environment Statistics

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I. Introduction

1. The Intersecretariat Working Group on Environment Statistics[1] was established in 2003, following the decision of the Statistical Commission at its thirty-fourth session.[2] The objectives, terms of reference, organization of work and work programme of the group were endorsed by the Statistical Commission at its thirty-fifth session in 2004.[3]

2. The objective of the group is to firmly anchor environment statistics as part of official statistics by improving and strengthening basic environmental data. That objective is accomplished by enhancing cooperation and by pooling the knowledge bases and resources in the areas of methodological work, data collection and dissemination, training and capacity-building, and the organization of joint events.

3. The present report concerns the work done by the Working Group in 2004 and its plans for 2005 and 2006 in the areas mentioned in paragraph 2.

II. Methodological work

4. According to the work programme of the Working Group, the focus of joint methodological work in 2004 was on water statistics. A water statistics manual was developed by Eurostat to support the water chapter of the joint Organization for Economic Cooperation and Development/Eurostat Questionnaire on the State of the Environment. The manual was tested in the 2004 data collection and will be reviewed on the basis of the feedback from countries. The United Nations Statistics Division (with support from the United Nations Environment Programme) is launching its project on a complementary manual of water statistics, with the objective of providing hands-on guidance to developing countries in the development of water statistics and the completion of the United Nations Statistics Division/United Nations Environment Programme questionnaire. The manual will build upon the Eurostat handbook to ensure consistency of concepts, methods and definitions. As the manual will also complement ongoing work on the forthcoming handbook on integrated environmental and economic water accounting (by the United Nations Statistics Division, Eurostat, and the Division for Sustainable Development), consistency with the requirements of the water accounts is sought.

5. The joint work session on water statistics (20-22 June 2005; see para. 13) will provide substantial input to the manuals. An expert group meeting to be held at the end of 2005 will discuss the first draft of the United Nations Statistics Division manual.

6. In 2006, joint methodological work will focus on waste statistics. Work is ongoing on waste statistics and on material flow analysis and accounting at Eurostat and the Organization for Economic Cooperation and Development. Eurostat is preparing a waste statistics handbook as part of Regulation (EC) No. 2150/2002 of the European Parliament and of the Council of 25 November 2002 on Waste Statistics (Waste Statistics Regulation). The United Nations Statistics Division has also started preparations for the compilation of a complementary manual on waste statistics that would help non-European Union countries to develop their statistical system on wastes.

7. The harmonization of the classifications and terms used by different sources of land use and land cover statistics is also on the agenda of the Working Group. That work will be initiated in close collaboration with agricultural statisticians, and with lead organizations engaged in related work, such as the Food and Agriculture Organization of the United Nations.

III. Data collection

8. 2004 was the year for biennial data collection. The United Nations Statistics Division questionnaire on environment statistics was sent to more than 150 countries in March, for the first time jointly with the United Nations Environment Programme. The joint OECD/Eurostat questionnaire was sent to 39 OECD and European Union member/candidate/partner countries in June and July. A core set of variables for the two questionnaires is identical, but the questionnaires differ in scope and detail to adjust to the capabilities of countries at different levels of development. Data validation is ongoing. The table illustrates the response rates expected for the questionnaires.

Expected response rates to the environment statistics questionnaires

Region	*Countries that received 2004 questionnaire (1)*	*Responses received (2)*	*Additional responses expected (3)*	*No response (4)*	*Expected response rate (percentage) (2)+(3) (1)*
Africa	53	13	12	28	47.17
Asia	44	16	4	24	45.45
Europe	11	8	1	2	81.81
Latin America and the Caribbean	37	21	8	8	78.38
Oceania	8	1	2	5	37.50
United Nations Statistics Division/ United Nations Environment Programme	153	59	27	67	56.21
OECD/Eurostat	39	34	1	4	89.74
World	192	93	28	71	63.02

9. The data collected through the questionnaires are shared among the organizations to avoid duplication and decrease the burden on the countries. The Organization for Economic Cooperation and Development and the United Nations Statistics Division also agreed to collaborate on data collection and share data in relation to the OECD environmental performance reviews carried out in non-OECD countries. Efforts are also made to coordinate and cooperate in data collection and indicator work at the regional and subregional levels, with the regional commissions as well as with the regional offices of UNEP.

10. The Working Group was requested by the Conference of European Statisticians to prepare a paper on further coordination and streamlining

environment statistics activities in Europe. The group will present a joint paper on those issues at the next meeting of the Conference in June 2005. The paper will deal with issues related to the division of tasks and to the quality of environment statistics, and will also reflect on future plans to diversify data collections in terms of scope and frequency, which will create an even larger need for strong coordination.

11. 2006 will be the next year for biennial data collection, which will involve joint work on further harmonization of the questionnaires. 2007 will be a major reporting year, in which updated editions of the United Nations Environment Programme *Global Environmental Outlook*, the *OECD Environmental Outlook* and the pan-European report on the state of the environment are expected to appear. Those major reports will create a huge demand for environmental data during 2005 and 2006.

IV. Training and capacity-building

12. The United Nations Environment Programme co-sponsored a training workshop on environment statistics organized by the United Nations Statistics Division and the Economic and Social Commission for Western Asia (ESCWA) for the ESCWA member countries. The workshop built upon the work done within the frame of the environment statistics component of the Eurostat statistical project in the Mediterranean (MEDSTAT). The Division's training workshop for the member countries of the Economic Community of West African States (ECOWAS) in Senegal in March 2005 will also be organized in collaboration with UNEP. Information on training and capacity-building is being shared, and further possibilities for joint training activities are discussed in the Working Group on a continuous basis.

V. Joint events

13. Following the decision to focus on water statistics in 2004-2005, the first joint event organized by the Working Group will be the joint work session on water statistics. The work session will be held in Vienna from 20 to 22 June 2005. The objectives of the work session will be (a) to review information needed for water policy and how the demand is met by international water statistics and integrated environmental-economic accounting for water resources; and (b) to provide a forum for countries and international organizations to exchange experiences on best practices in the collection, organization and analysis of water statistics. The work session will cover the requirements of both developing and developed countries. The discussions and conclusions will provide input to the United Nations Statistics Division manual on water statistics planned for the end of 2005 and will contribute to the refinement of the questionnaires used in international data collection and compilation.

VI. The second meeting of the Intersecretariat Working Group on Environment Statistics

14. The second meeting of the Working Group was held on 7 October 2004 in Luxembourg, concurrently with the Eurostat plenary meeting on environment statistics and environmental accounting. The meeting of the Working Group was attended by the representatives of the United Nations Statistics Division, the United Nations Environment Programme, the Organization for Economic Cooperation and Development and Eurostat. The Food and Agriculture Organization of the United Nations and the Secretariat of the World Water Assessment Programme were also invited and participated in the meeting. The focus of the agenda was water statistics: an overview of activities carried out by the organizations in that area, the status of the water manuals and the organization of the joint work session on water statistics. The meeting also discussed areas for future joint work in methodology, training and capacity-building, and considered the request of the Conference of European Statisticians to the Working Group for a report on further coordination of activities in environment statistics at the European level.

Notes

[1] The name of the Inter-agency Working Group on Environment Statistics was modified to Intersecretariat Working Group on Environment Statistics to be consistent with other groups reporting to the Statistical Commission. Current members of the Working Group are the United Nations Statistics Division, the Economic Commission for Europe (ECE), the United Nations Environment Programme (UNEP), the Statistical Office of the European Communities (Eurostat) and the Organization for Economic Cooperation and Development (OECD). The secretariat of the Working Group is the United Nations Statistics Division.

[2] See *Official Records of the Economic and Social Council, 2003, Supplement No. 4* (E/2003/24).

[3] See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24).

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Statistical capacity-building

Report of the Secretary-General

Summary

The present report has been prepared at the request of the Statistical Commission at its thirty-fifth session.* It contains a description of the current work programme of the Statistics Division in the area of technical cooperation as well as its funding mechanisms. Furthermore, it describes new directions and future plans. Points for discussion are included in paragraph 15.

* *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

* E/CN.3/2005/1.

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I. Introduction

1. The mission of the Statistics Division's technical cooperation programme is to assist Member States to build strong national statistical systems, which in turn are the building blocks of a solid global statistical system. An effective national statistical system must meet key data needs for results-based management and policy decision-making in a sustainable manner. It includes the following two main elements: (i) a well-run national statistical service, based on an appropriate legal and institutional framework and equipped with sufficient financial and human resources, as well as Information Technology (IT) infrastructure; and (ii) regular programmes of data collection and analysis, including effective data retrieval and dissemination (population and housing censuses, integrated programme of household surveys, coherent systems administrative records for collecting data in specific economic, social and environmental sectors).

2. Both Economic and Social Council and the Statistical Commission have provided the Division with strong mandates for technical cooperation. For instance, Economic and Social Council reaffirmed "the importance of national efforts to build statistical capacity in all countries, including through statistical training, and of effective international support in that context for developing countries".[1]

3. The Statistical Commission has repeatedly emphasized that technical cooperation efforts need to be nationally owned, demand driven and tailored to the local needs, as well as effectively coordinated among the various international donors.[2] Furthermore, in 2004 the Commission stated explicitly the urgency for statistical capacity-building efforts, by noting in its report[3] "If availability of statistics needed at national and international levels, including those needed to effectively monitor the implementation and achievement of the Millennium Development Goals, was to be achieved, further investment in the development of sustainable statistical capacity, especially in countries with the least developed statistical services, would be required".

4. Moreover, as a consequence of the debate on the Millennium Development Goals as well as on other United Nations conference goals, there is currently widespread awareness and recognition of the importance of statistical capacity-building: At the "International Roundtable on Managing for Development Results" (Marrakech 2004), aid recipients and donor stakeholders adopted the Marrakech Action Plan for Statistics (MAPS), aiming at ensuring that all countries possess basic statistical infrastructure and data-collection programmes.[4]

5. The United Nations Statistics Division has a long history of a successful technical cooperation programme, which builds on the Division's credibility of technical competence. In its areas of expertise (e.g., censuses and surveys, national accounts, statistical organization) the Division has been working in partnership with numerous countries and regions in the world. Furthermore, technical cooperation in statistics is an integral part of the Division's work programme and closely related to its work on standard setting. This ensures that Division advisory services are up to date with respect to the latest conceptual and methodological developments. Finally, the United Nations is perceived to be a politically neutral partner in technical cooperation efforts.

6. Member States who have worked with the United Nations Statistics Division as partners in technical cooperation programmes have consistently provided positive

feedback, pointing to measurable impact on national and subregional statistical programmes. One frequently quoted result is that cooperation with the Division instils in national statistical systems a sense of being part of the larger global statistical community. In particular, the development account projects have created strong subregional networks of statisticians, at the management as well as the working level. Further evidence of the tangible impact of Division projects is the fact that many countries adopt international recommendations. This is true for the organizational sphere — countries have applied United Nations Statistics Division recommendations in the restructuring of their national statistical systems — as well as for the scientific and professional sphere — countries have for instance improved the content and the presentation of their census questionnaire.

7. For the above-mentioned reasons, the Division is playing a lead role in global statistical capacity-building efforts. The present report briefly describes the funding mechanisms and the current programme activities; it then develops the strategic priorities, which are based on a new focus on strengthening foundation statistics (see section IV).

II. United Nations Statistics Division sources of assistance to support statistical development

8. The regular programme of the United Nations Statistics Division provides the funding for methodological development, in particular the preparation of handbooks, which are an important input in subsequent direct technical assistance activities. Examples of recent publications, which have proven to be very valuable in a technical assistance context are the *Handbook of Statistical Organization* and the handbook entitled *National Accounts: A Practical Introduction*.

9. The main sources of funding for direct technical cooperation activities available to the Division are threefold: the regular programme for technical cooperation; the United Nations Development Account; and external budgetary projects and trust funds.[5]

(a) *Regular programme for technical cooperation*. This programme is approved biennially by the General Assembly as part of the United Nations Statistics Division's regular programme activities. It currently provides funding for:

(i) Two interregional advisers at Headquarters. These are two medium-term positions for senior statisticians with expertise in high-demand areas, who can provide countries with technical advice upon request. The current priority areas are national accounts and population and housing censuses.

(ii) Fellowships. This component of the Division's technical cooperation programme is intended to respond to specific needs of Member States for enhanced national skills development and training.

(iii) Training workshops. The Division is organizing about five to seven international statistical workshops per year. These workshops usually have a regional focus and are implemented in close cooperation with the Regional Commissions and other regional and subregional organizations. Each workshop is dedicated to one specific statistical subject matter from the broad spectrum of the Division's technical expertise (census taking, social statistics,

disability statistics, national accounts, environmental accounts, industry statistics, energy statistics, environmental statistics, trade statistics, classifications, statistical organization, etc).

(b) *United Nations Development Account.* This funding mechanism is provided by the General Assembly. The various development sectors inside the United Nations compete for these funds by presenting project proposals that have a strong regional capacity-building orientation. Project proposals are approved every two years. The United Nations Statistics Division has so far been successful to secure funding for four development account projects in the field of statistics since 1999. They covered a total of over 50 countries in the regions of the Caribbean Community (CARICOM), the Association of South-East Asian Nations (ASEAN), the Economic and Social Commission of Western Asia (ESCWA) and the Economic Community of West African States (ECOWAS). Each of these projects is implemented under the executive leadership of a steering committee, consisting of the Chief Statisticians of the Member States involved, who determine project priorities and implementation modalities and ensure sustainability of the project activities after the project is phased out.

(c) *External budgetary projects and trust funds.* In past years these extrabudgetary resources consisted primarily of national or regional project funds allocated by UNDP or the United Nations Population Fund (UNFPA) to the area of statistics, in which the Division was the implementing agency. Their volume far exceeded the Division regular programme of technical cooperation. However, this source of funding has significantly declined and is at this point negligible. The Division is currently improving its resource mobilization capacities in order to diversify its funding partnerships to include other multilateral and bilateral partners.

III. Technical cooperation activities in 2004

10. In 2004, the interregional technical advisers covered 14 countries, providing advisory services on a broad range of issues including concepts and compilation techniques for national accounts; institutional sector accounting; evaluation of the System of National Accounts, 1993 (1993 SNA) implementation; use of scanning technology and intelligent character recognition for censuses; hand-held devices for censuses; data warehousing; data mining; data security, and latest developments in database management systems for official statistics. After a review of the programme priorities and owing to the high demand of advisory services in connection with the preparation of the 2005-2014 census round, it was decided to strategically reorient one of the adviser positions as of 2005 to cover the area of census preparations and management rather than general IT support.

11. In 2004 the United Nations Statistics Division organized 16 workshops for developing countries, at which a total of 348 professionals from over 100 national statistical offices were trained on census methodologies, trade statistics, national accounts, classifications, indicators to monitor progress towards the Millennium Development Goals, environment and energy statistics, environmental accounting, water accounting, poverty statistics, and improving statistics on fertility, mortality and disability. These workshops were conducted in collaboration with Regional Commissions, UNFPA, UNICEF, UN-HABITAT and the Division for Sustainable Development of the Department of Economic and Social Affairs. In addition study tours for 53 statisticians from 48 countries were arranged to provide individual

training, reinforce existing networks for the exchange of practical experience and to create opportunities for statistical experts from developing countries to participate in international statistical forums such as the conference of the International Association for Official Statistics.

12. The United Nations Statistics Division continued its successful implementation of the regional development accounts. The ESCWA project (2002-2004) was brought to a successful conclusion by a two-day evaluation workshop, in which the heads of the national statistical offices participated. The evaluation workshop identified the mechanism of the steering committee as one of the key success criteria, which ensured national ownership and allowed for the necessary flexibility to make adjustments in the project implementation during its three-year life span. The Chief Statisticians also underscored the importance of the project element "Statistical Organization and Management", as some countries in the ESCWA region are in the process of reforming their statistical infrastructure or are simply facing comparable challenges with respect to statistical legislation, establishing the national statistical office as the authoritative source of official statistics and/or using limited financial resources most effectively to satisfy user demand.

13. The evaluation seminar concluded that the project had not only been successful in transferring knowledge from outside to the countries in the region, but more importantly that it had created a network of statisticians at the working level, which in turn lead to an extremely valuable exchange of practical experiences. The United Nations Statistics Division also launched a regional project in the ECOWAS region (2004-2006), with two workshops conducted in 2004 on poverty measurement and on "user-producer" relationships. The project was carefully designed to build upon and/or complement already existing support activities in the region by the European Union, UNDP, ECA and Afristat. For the period 2006-2008 the Division has submitted a project proposal for the Southern African Development Community (SADC) region.

IV. Future strategic orientations

14. Given the available human and financial resources, it is essential for the United Nations Statistics Division to focus its technical cooperation efforts. The following four strategic priorities have therefore been decided:

(a) Provision of direct technical cooperation services in areas of the United Nations Statistics Division excellence

In terms of subject matter areas, the Division will focus on those fields where it has a strong technical comparative advantage, such as population and housing censuses. In so doing, the Division will be taking advantage of the close link between its ongoing methodological work and technical cooperation projects. In this context, the Division will use its regular resources more effectively, by making technical advisory services, workshops and fellowships mutually supportive, rather than separate, isolated activities. For its areas of excellence, the Division is confident that it will be able to attract additional external resources.

(b) Strengthening existing subregional networks

The United Nations Statistics Division will build on its success of the development account projects, which created networks of national experts at the Chief Statisticians level as well as at the working level among groups of 10-15 countries, who share a common socio-economic context and often share a language. The Division will devote its efforts to sustain subregional networks, in order to facilitate the exchange of practical experiences, and to promote common training and even specific common projects (census questionnaire, data-processing systems). A stronger focus over the coming years will be on Africa (ECOWAS and SADC projects), a region that has been identified as a high priority area for statistical capacity-building.

(c) Strategic partnerships and donor coordination

The United Nations Statistics Division will seek to renew or extend partnerships with major multilateral donors (World Bank, UNDP, UNFPA, UNEP) as well as with Regional Commissions, specialized agencies and bilateral donors in the context of specific projects. The Division will actively support global donor coordination efforts, in particular in the area of building basic statistical capacity to construct and analyse Millennium Development Goals indicators.

(d) Fostering exchange of practical experiences and strengthening statistical training

Recognizing the importance of the human resource factor for sustainable statistical development, the United Nations Statistics Division will continue to foster the exchange of practical experiences among national statisticians, wherever possible. It will globally review existing professional statistical training centres and their respective areas of expertise and create channels of communication and dialogue between them, in order to explore potential synergies, e.g., sharing of training materials.

V. Points for discussion

15. The Commission may wish to comment on the strategic focus for technical cooperation activities of the Statistics Division as described in the present report.

Notes

[1] See Economic and Social Council resolution 2000/27.

[2] These requirements for success are best summarized in the "Guiding principles for good practices in technical cooperation", which were adopted by the Statistical Commission in 1999.

[3] *Official Records of the Economic and Social Council, 2004, Supplement No. 24* (E/200 24), chap. V.D., para. 7 (e).

[4] See also E/CN.3/2005/20, report of the Secretary-General on indicators for monitoring the Millennium Development Goals and for follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields.

[5] In addition to these funding mechanisms, the United Nations Statistics Division is allocated a limited portion of the revenue generated by the sales of its data and publications. Some of these resources may also be used for technical cooperation activities.

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Report of the Partnership in Statistics for Development in the Twenty-first Century on statistical capacity-building

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission a report prepared by the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) in accordance with a request by the Statistical Commission at its thirty-fifth session.[a] The report outlines how national strategies for the development of statistics provide a country with a strategy for strengthening statistical capacity across the entire national statistical system. The report also describes how strategies fit with other existing statistical development initiatives and what PARIS 21 brings to strategies process. The Commission may wish to comment on the approach and documentation of the national strategies.

* E/CN.3/2005/1.
[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I.A.

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Report of the Partnership in Statistics for Development in the Twenty-first Century on statistical capacity-building

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I. Introduction

1. With the increasing emphasis on managing for development results, national policy makers and the international development community have become increasingly aware of the importance of statistics in informing and designing development interventions. The Second International Round Table on Managing for Development Results called on countries to implement strategic planning activities for the development of their statistical systems. A national strategy for the development of statistics provides a framework for strengthening statistical capacity across the entire national statistical system mainstreamed into national development policy processes. National strategies constitute a comprehensive and unified framework for the continual assessment of evolving user needs and priorities for statistics and for building the capacity needed to meet these needs in a more coordinated, synergistic and efficient manner. The national strategies approach has been developed from existing instruments for statistical assessment and improvement (such as the International Monetary Fund (IMF) General Data Dissemination Strategy (GDDS) and Data Quality Assessment Framework (DQAF)), incorporates lessons learned from the development of poverty reduction strategies, and follows best practice in organizational development and management. The Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) is assisting countries in the development of their national strategies by drafting supporting documentation, organizing regional workshops to discuss issues and share experience and helping countries secure appropriate funding for the design and implementation of their strategies.

II. The need for national statistical development strategies

2. There is increasing international consensus that development in many countries, especially the poorest, has faltered in the past because development efforts did not focus on results. Most recently, the Second International Round Table on Managing for Development Results, held in Marrakech, Morocco, in February 2004, stressed this point, acknowledging that managing for results involves focusing on the desired outcomes and impacts (for example on poverty reduction) and then identifying what inputs and actions are needed to get there. It also involves establishing baselines and identifying upfront performance targets and indicators for assessing progress during implementation and on programme completion.[1]

3. With this focus on results-based management, national policy makers and the international development community have become increasingly aware that good statistics are part of the enabling environment for development. Statistics measure inputs, outputs, outcomes and impact, providing reliable assessments of key economic and social indicators, covering all aspects of development from measures of economic output and price inflation to the well-being of individuals. Strengthening statistical capacity is therefore essential to support the design, monitoring, and evaluation of national development plans, including poverty reduction strategies, sector strategies, and the Millennium Development Goals.

4. In recognition of the development community's reliance on good, timely statistics to manage for results, the Round Table adopted the Marrakech Action Plan for Statistics, which encouraged countries to design and implement national

strategies for the development of statistics to improve the evidence base by providing a strategic framework for developing relevant poverty-focused statistics.

5. A national strategy provides a country with a strategy for strengthening statistical capacity across the entire national statistical system, a vision for where the system should be in five to 10 years, and will set milestones for getting there. It will provide a robust framework and action plan for building the statistical capacity to meet both current and future data needs. In particular, the aim is to align statistical development with wider poverty-focused national development programmes and strategies. In many countries, the processes of preparing poverty reduction strategies and managing for results provide an important opportunity not only to identify data needs but also to highlight the priority areas where investment and improvements are needed. The poverty reduction strategy approach provides valuable insight into how these strategies should be prepared and implemented. The national strategy for statistical development will provide a framework for mobilizing, harnessing and leveraging resources (both national and international) and a basis for effective and results-oriented strategic management of the national statistical system.

III. Design phases of the national strategies

6. The preparation of a good strategy requires a carefully managed process, involving a number of key components and providing for regular analysis and review. It will depend, crucially, on what is already in place and what existing mechanisms and processes the strategy can be built on. How long each of these components or phases last will depend on a number of factors, including the urgency with which the strategy is needed, the efficiency of the decision-making processes of the Government and the complexity of the national statistical system. The regular work programmes and existing improvement programmes of the agencies concerned should be continued while the strategy is being prepared and prior to full implementation. It would be unacceptable to halt production of statistical products and services while a national strategy for statistical development is being developed since that might well adversely affect many stakeholders and is unlikely to result in their continued support. In thinking about what needs to be done to prepare a national strategy in most countries, the five phases are recommended, as described below.

Phase I. Launching the process (design road map)

7. The key outcomes of this critical phase will be a decision and a plan to develop a national strategy. How this is done will depend on the national situation, but many countries have found it useful to have this decision made formally, for example, through a decision of cabinet or by the minister with responsibility for statistics. Some of the processes that can be useful in getting this decision agreed include:

- Successful advocacy, sensitization and dialogue with politicians, policy makers, and decision makers, for example through participation in a PARIS 21 regional workshop

- Participation by the managers of the national statistical system in national policy discussions, such as the preparation or monitoring of the poverty reduction strategy; and/or in the IMF/GDDS.

8. Once the decision has been made, the agencies leading the preparation of the national strategy will usually prepare a programme or road map that will set out what needs to be done, by whom and when, and how the design of the strategy will be financed.

Phase II. Assessment of the current status of the national statistical system

9. Building on existing processes, a range of assessments will be needed, including the following:

- Collecting and analysing existing documentation
- Identifying user satisfaction, current and future needs for statistics, and existing data gaps
- Assessing each key statistical output against agreed quality criteria
- Assessing methodologies and the quality of statistics
- Taking stock of existing capacity (for example, infrastructural, technical and resources) to meet the identified data needs and fill data gaps
- Reviewing the legal and institutional framework, linkages, and coordination arrangements
- Assessing organizational factors, including management and human resources

Phase III. Developing the vision and identifying strategic options

10. These activities build on the assessments, including:

- Agreeing mission and vision statements
- Agreeing on desired results
- Setting priorities and strategies, employing scenarios to deliver the vision and results

Phase IV. Preparing the implementation plan

11. It is important to point out that "right strategies" are not all that is needed to make a national statistical system effective. The strategies have to be properly and effectively implemented through a costed and time-bound action plan, including a financial plan incorporating proposals for external assistance.

Phase V. Implementation, monitoring and evaluation

12. The most important consideration is to see strategic management as a continuous process and the preparation of the initial document represents as only the

beginning. To be effective, statistical systems must remain flexible and respond to new demands for data and a changing environment. Any medium-term plan, therefore, will inevitably require modification in the light of experience. The strategic management process, therefore, needs to build in mechanisms to monitor and evaluate progress, review the strategy and make modifications when required.

IV. How the national strategies fit with other existing initiatives

13. Recognition of the need for strategic approaches is not new. A number of earlier initiatives have aimed at addressing these needs and have contributed to the development of the approach, including the Addis Ababa Plan of Action for Statistics in the 1990s (prepared by the Economic Commission for Africa), which was based around demand-driven, user-focused national statistical development plans. An effective national strategy for the development of statistics will take account of, and build upon, all existing work and initiatives in each country. For instance, many countries have already started to improve their statistical systems as an essential component of their poverty reduction strategies and to monitor the Millennium Development Goals. National strategies for the development of statistics may take many forms, depending on the stage of development of each statistical system and their needs and perspectives.

14. Important international frameworks and assessment tools to support the preparation of a national strategy include:

- The IMF/GDDS, in which a large number of countries already participate, builds on the main elements of the United Nations Fundamental Principles of Official Statistics, around the four key aspects of (a) data relevance, coverage, timeliness and periodicity, (b) quality, (c) integrity of the data production process and (d) access to the data by the public. It covers a set of data that is recognized to be essential for all countries and addresses issues that are critical for compiling and disseminating data, including explicit plans for improvement to align national procedures with best practices.
- The multi-annual integrated statistical programme framework, developed by the Statistical Office of the European Communities (Eurostat), is used in many countries of Eastern Europe and Central Asia as a multi-year planning mechanism to prioritize the use of national resources and international assistance.
- IMF/DQAF, which builds on the GDDS, provides an integrated and flexible framework for assessing the quality of data used for macroeconomic and social policy.
- The PARIS 21 statistical capacity-building indicators, based on DQAF, provide a means for countries to identify the strengths and weaknesses of their national statistical systems and to monitor their progress in building statistical capacity.

15. All of these approaches have strategic planning as their basis, and countries should aim to make use of whatever expertise and experience they already have. Existing GDDS subscribers, for example, will be able to make use of the GDDS assessment framework to provide the foundation for a national strategy for statistics, including a basis for setting priorities for improving statistics under conditions of

tight resource constraints and to indicate where external technical and financial assistance will be needed. Participation by countries in GDDS provides a good signal to data users and development partners that the country is serious about statistics and is already taking action to address shortcomings. Countries that work closely with Eurostat or are aiming to invest in their statistical capacity through a credit or loan from the World Bank under their STATCAP programme will be able to use a national strategy for the development of statistics as the basis for developing an investment plan or a cooperation programme. In particular, the national strategy includes a statistical master plan, which is a prerequisite for a country to apply for the STATCAP programme.

V. Value added of the national strategies

16. As mentioned above, the national strategies approach has been developed from existing instruments for statistical assessment and improvement (such as GDDS and DQAF), incorporates lessons learned from the development of poverty reduction strategies and follows best practice in organizational development and management. The value added of a national strategy is in merging best practice from these three sources in pursuit of better development outcomes: looking at statistical capacity-building through a development and management lens, and looking at development policy and optimal management practices through a statistical lens.

17. National strategies for the development of statistics should do for statistical planning and strategic management what poverty reduction strategies have done for the former five-year national development plans. The poverty reduction strategies approach involves a fundamental change in the relationships between stakeholders: through consultation, participation, ownership, leadership etc. In the same way, a good national strategy for the development of statistics will provide a nationally owned and led, holistic strategic development plan for statistics, which is mainstreamed as a statistics component and provides perspective for the design, management, monitoring and evaluation of national policy frameworks, such as poverty reduction strategies.

18. Just as the national strategy for the development of statistics is a coherence framework for the coordination of all statistical activities within a country, it also provides a coherence framework for international and bilateral assistance for statistics, and serves to avoid parallel systems for monitoring and evaluation needs generally of donor programmes. In the light of this integrating feature of the national strategy, the PARIS 21 Steering Committee, comprising representatives of developing and transition countries from each region of the world as well as bilateral and multilateral donors, has placed a strong emphasis on the need to involve all development partners in the national strategies process and to incorporate support for the national strategies into development aid programmes.

19. National strategies add value to existing processes through:

- Advocacy, building political support and leadership
- Broad participation, consultation, and communication
- Assessing and developing improvement plans for the "softer" organizational and management aspects, essential for sustainability of statistical capacity-building, including the institutional status of national statistical agencies

- Taking an holistic/integrated approach to assessing user needs and priorities (including for development policy)
- Changing management processes and sub-strategies, including for human resource and organizational development
- Costing, including cost-effectiveness, and addressing funding needs

VI. PARIS 21 role in the national strategies process

20. In line with the call of the Marrakech Roun1 Table for national strategies for statistical development, PARIS 21 has set a goal for itself to encourage all developing countries to design a national strategy by 2006 in order to have nationally owned and produced data for all relevant Millennium Development Goals indicators by 2010. PARIS 21 will give priority to low-income countries, including International Development Association (IDA) countries. PARIS 21 will ensure that the design of national strategies addresses and supports short-term and fast-track initiatives, and aims to satisfy the immediate requirements of countries' poverty reduction strategy papers as well as Millennium Development Goals and IDA monitoring.

21. To support countries in the development of their national strategies, PARIS 21 has drafted materials that provide guidance in taking the process forward. Four distinct sets of documentation have been prepared, on the national strategies essential elements (a summary of key principles is contained in the annex); a national strategies advocacy document (entitled "Making the case") aimed at convincing developing country policy makers and donor country development practitioners of the need for a national strategy; practical yet non-prescriptive guides to designing and implementing a national strategy aimed at assisting the managers of statistical systems; and a national strategy knowledge base that assembles practical advice, case studies and country experiences [2] The essential elements and advocacy documents and the design guide have been finalized by a group of partners as the 2004 version. Developing these documents will be an ongoing process, and versions for 2005 and beyond — incorporating improvements and modifications from a wider circle of partners — are planned. PARIS 21 would like to encourage all those interested in improving the efficiency and effectiveness of official statistics to contribute to the process of developing these materials, especially by sharing experience of what works and what does not. Current versions of the materials are available on the PARIS 21 web site at http://www.PARIS 21.org.

22. PARIS 21 is rolling out implementation of the national strategies approach through its regional workshops. A series of workshops for each region is planned, timed at critical stages of the national strategies process. Typically, the first workshop is intended as a national strategies launching event, at which countries prepare a draft road map for taking forward the national strategies design process. Subsequent events address issues specific to national strategies design and are intended to assist countries in moving: (a) "From diagnosis to strategies", (b) "From strategies to action plans" and (c) "Towards national strategies implementation". These events also provide the opportunity for developing country and donor institution partners to fine-tune and supplement the messages and content of the national strategies documentation for subsequent versions.

23. PARIS 21 and the World Bank Trust Fund for Statistical Capacity-Building have been repositioned to assist countries in the design of national strategies, including securing grant funding. PARIS 21 and the World Bank are working closely not only to assist countries in the design of national strategies but also to channel them towards funding mechanisms.

24. To be effective, both the documentation review and roll-out need to be based on documents that have been translated. PARIS 21 is translating texts into Arabic, French, Portuguese and Spanish. Other languages may also be considered, depending on demand. These versions will be adapted to be fully relevant and easily understood by non-English speakers and to be relevant to different regional circumstances.

25. Throughout 2005 and 2006, the emphasis will change from supporting the design of national strategies to supporting strategy implementation, including producing the implementation guide and building the knowledge base with case-study materials on implementing change processes. Development of the knowledge base will focus initially on collating "how to" notes to inform the design of national strategies.

26. To address the shortage of experts available to assist countries in the design of their national strategies, PARIS 21 — in collaboration with the World Bank and other partners — is helping to develop expertise in strategic planning. PARIS 21 proposes in its regional programmes to brief potential consultants on national strategies issues. The PARIS 21 consultant roster, currently being developed on its web site, is designed to assist countries in finding the right people. In addition, the PARIS 21 task team on training for official statisticians will develop materials on this topic.

27. Information on country statistical development focusing on national strategies will be gathered and made publicly available. This reporting exercise will be useful to both national strategies design teams and donor partners.

VII. Points for discussion

28. **The Statistical Commission may wish to:**

(a) **Comment on the national strategies approach outlined above.**

(b) **Comment on the national strategies documentation (see sect. VI).**

Notes

[1] See Second International Round Table on Managing for Development Results, on the theme "Promoting a harmonized approach to managing for development results: core principles", February 2004.

[2] The national strategies advocacy paper and design guide will be made available to the Commission as background documents.

Annex

Key principles of a national strategy for the development of statistics

1. A national strategy for the development of statistics should:

- Be nationally led and owned, with high-level political support and champions.
- Be demand-focused and integrated within national development policy processes.
- Be developed in an inclusive and consultative way.
- Assess all statistical sectors and user needs and provide a vision and strategic plan for national statistics.
- Set out an integrated statistical development programme to build capacity to deliver results that is prioritized and timetabled, incorporating plans for implementation, monitoring and evaluation, but is also flexible enough to cope with change.
- Address institutional and organizational constraints and processes, including resources, for the sustainable development of statistical systems and outputs.
- Build quality "fit for purpose", drawing on best international practice and standards.
- Build on what exists and is being developed and continue to satisfy immediate needs for statistics during the national strategies process.
- Respond to user needs but be realistic about resources.
- Serve as a coherent framework for international support for statistical development.

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International economic and social classifications

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its thirty-fifth session.[1] It outlines how the recommendations of the Commission concerning international statistical classifications have been addressed since that session. The report is presented to the Commission for information.

[1] See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. I, sect. A, para. 1.

* E/CN.3/2005/1.

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I. Recommendations on international classifications made by the Statistical Commission at its thirty-fifth session

1. At its thirty-fifth session, held from 2 to 5 March 2004, the Statistical Commission:[1]

(a) Expressed its appreciation for the work carried out by the United Nations Statistics Division, and the Expert Group on International Economic and Social Classifications and its Technical Subgroup on the revision of the International Standard Industrial Classification of All Economic Activities (ISIC) and the Central Product Classification (CPC);

(b) Endorsed the recommendations of the Expert Group as set out in the report of the Secretary-General (E/CN.3/2004/22, annex I), including the proposed high-level structure of ISIC as a basis for detailed work on the classification;

(c) Noted the concerns expressed by some delegates that continued work needed to be undertaken by the Expert Group;

(d) Endorsed the work undertaken to ensure the consistency of ISIC and the Statistical Classification of Economic Activities in the European Community (NACE), including the compromise solution on repair activities;

(e) Supported the proposal of developing a limited top-level structure for ISIC in conjunction with the Intersecretariat Working Group on National Accounts (ISWGNA);

(f) Noted the efforts of the Food and Agriculture Organization of the United Nations (FAO) towards taking the lead in the work on classification of agricultural activities and products, thereby providing input into the revision of ISIC and CPC;

(g) Agreed with the proposed work plan for the revision of ISIC and CPC, including plans to consult national, international and regional organizations in that effort;

(h) Noted the plans of the International Labour Organization (ILO) for the revision of the International Standard Classification of Occupations (ISCO) by 2007, involving the creation by June 2004 of a technical expert group to network with the United Nations Expert Group on International Economic and Social Classifications;

(i) Agreed with the conclusion of the International Merchandise Trade Statistics Task Force that the fourth revision of the Standard International Trade Classification (SITC) should be prepared for 2007.

II. Activities carried out in response to the requests of the Commission

A. Status of the revision process of the International Standard Industrial Classification of All Economic Activities

2. The revision of the International Standard Industrial Classification of All Economic Activities (ISIC) continues according to the work plan presented at the thirty-fifth session of the Statistical Commission.

3. Based on the recommendations made by the Statistical Commission at its thirty-fifth session and the recommendations made by the United Nations Expert Group on International Economic and Social Classifications, a first complete draft of ISIC, Rev.4, was produced, including the full detailed structure and explanatory notes for the revised classification. This draft was distributed to the national statistical offices of all countries and interested international agencies in May 2004 with a deadline for responses set at 15 November 2004. The questionnaire is available on the United Nations Statistics Division Classifications web site.

4. The first replies to this questionnaire were being received at the time of writing of the present report. A summary of responses will be submitted to the Statistical Commission in March 2005 as a room document. This room document may include points for discussion, if additional guidance by the Commission is needed before the next step in the revision process, namely, the preparing of a revised version of the classification to be submitted to the Expert Group for consideration at its next meeting in June/July 2005.

5. The United Nations Statistics Division has conducted two workshops focusing on the ISIC and the CPC revision in cooperation with the Economic and Social Commission for Western Asia (ESCWA) and the Economic Commission for Europe (ECE) for countries in their respective regions. The workshops provided detailed information to countries on the planned changes to these classifications and solicited input into the revision process from attending countries.

6. Limited aggregation structures of ISIC for national accounts purposes will be discussed by the Advisory Expert Group on National Accounts. No final recommendation was available at the time of writing of this report.

B. Status of the revision process of the Central Product Classification

7. As outlined in the work programme approved by the Expert Group and submitted to the Statistical Commission at its thirty-fifth session, the revision process of the Central Product Classification (CPC) will trail the ISIC revision by about half a year. This will allow for allocation of proper product detail for newly created industries in ISIC.

8. A questionnaire focusing on the CPC revision was sent to all countries and interested international agencies in July 2004, with a deadline for responses set for October 2004. The questionnaire requested feedback on some general strategic questions for the revised CPC, outlined existing proposals for certain areas in the CPC and solicited additional proposals for change. The questionnaire is available on the United Nations Statistics Division Classifications web site.

9. The Technical Subgroup of the Expert Group convened in October 2004 for a meeting dedicated solely to the revision of CPC. Based on the replies to the questionnaire and additional proposals, changes to a number of sections of CPC were discussed and recommendations were made. Based on this, a complete revised draft of CPC, Ver.2, was being prepared at the time of writing of this report. The complete draft of CPC, Ver.2, like that of ISIC, will be circulated to countries and agencies for discussion, at the beginning of 2005.

C. Status of the revision process of the International Standard Classification of Occupations

10. The work to update the International Standard Classification of Occupations (ISCO-88)[2] started in January of 2004. The updating, which entails only minor changes to the classification, primarily at the lower levels of the classification structure, will encompass adding new categories of jobs, deleting or combining categories that no longer warrant separate identification, and improving the descriptions of some groups. This means that the basic principles for classification units, classification variables and similarity criteria will not be modified, nor will the hierarchic structure of 10 major groups at the first level of the classification. The updated version will be known as ISCO-08 and should be available by the end of 2007, as recommended by the Statistical Commission at its thirty-fourth session in March 2003.

11. As part of the work to update ISCO-88, a web site was developed with information about ISCO-88, ISCO-68 and ISCO-58 as well as about occupational classifications in general. The site in English can be viewed at www.ilo.org/public/english/bureau/stat/isco/index.htm.

12. In September 2004, a questionnaire was sent to all countries through their national statistical agency, their ministry of labour, and, when contact information was available, their vocational training institutes, employers organizations and workers organizations. This questionnaire will obtain feedback from as many countries as possible on a number of conceptual issues as well as on the treatment of specific occupational groups. The questionnaire also seeks to obtain concrete recommendations for the creation of new occupational groups and to improve the descriptions of already existing groups. The questionnaire in English can be viewed at www.ilo.org/public/english/bureau/stat/isco/isco88/quest.htm.

13. The analysis of the replies to this questionnaire will be the basis for the discussions at the forthcoming meeting of the United Nations Expert Group on International Economic and Social Classifications. It is expected that the Expert Group will provide general guidelines on the updating process as well as concrete recommendations regarding specific occupational categories.

14. Discussions in a web forum constitute a second mechanism through which a more dynamic feedback from countries will be obtained. The "web discussions" will concentrate on those issues emerging from responses to the questionnaires that are regarded as requiring further discussions, as well as any other issues that may arise from the discussions themselves. These discussions will start in 2005 and will be continuous up to 2007.

15. A second questionnaire will be sent at the end of 2006 that will seek views on new areas that may have been identified by the Expert Group, through discussions in the web forum or replies to the previous questionnaire. It will also seek views on areas already covered in the previous questionnaire on which no general agreement was obtained. The analysis of the replies to the second questionnaire will be the basis for the discussion at the ILO Tripartite Meeting of Experts on Labour Statistics to be convened at the end of 2007. It is expected that this Meeting of Experts will adopt ISCO-08.

D. Status of the revision process of the Standard International Trade Classification

16. The Statistical Commission, at its thirty-fifth session, agreed with the conclusion of the inter-agency Task Force on International Merchandise Trade Statistics that the fourth revision of the Standard International Trade Classification (SITC, Rev.4) was needed in view of accumulated changes in the Harmonized Commodity Description and Coding System (HS) and further amendments to HS, which would come into effect on 1 January 2007. Accordingly, the United Nations Statistics Division has begun preparation of SITC, Rev.4.

17. The revision process is organized as follows. The United Nations Statistics Division in cooperation with the interested international organizations and countries is preparing a draft SITC, Rev.4. The initial draft will be submitted for the consideration of the inter-agency International Merchandise Trade Statistics Task Force in March 2005. The updated draft will be submitted to countries and the United Nations Expert Group on International Economic and Social Classifications for review. The Statistics Division will make necessary changes in the draft to take into account forthcoming comments and will make the draft available to the Commission at its thirty-seventh session for information. The Statistics Division will finalize SITC, Rev.4, by mid-2006 and will disseminate it to countries for use.

E. Status of the revision process of the Balance of Payments classification and the Extended Balance of Payments Services Classification

18. The revision of the services component of the *Balance of Payments Manual*, 5th ed.,[3] is being coordinated with the revision of the Extended Balance of Payments Services Classification (EBOPS) by the Interagency Task Force on Statistics of International Trade in Services (IATFSITS). These revisions are being carried out in collaboration with the Technical Subgroup of the United Nations Expert Group on International Economic and Social Classifications, which is working on strengthening the alignment between the Extended Balance of Payments Services Classification and CPC with the objective of obtaining correspondence at the CPC group (three-digit) level.

19. Discrepancies between CPC and the Extended Balance of Payments Services Classification remain for several items. These items are information products, merchanting, insurance, and government services, repairs on goods, goods for processing, and the Balance of Payments travel component. Work on these components is continuing in the Technical Subgroup, the Interagency Task Force on

Statistics of International Trade in Services and other groups of experts; and the outcomes, as they affect the revision of the Balance of Payments, will be brought forward during the 2005 meeting of the International Monetary Fund (IMF) Committee on Balance of Payments Statistics.

F. Status of the revision process of agricultural classifications

20. The Statistical Commission at its thirty-fifth session (2-5 March 2004) supported the efforts of the Food and Agriculture Organization of the United Nations (FAO) to take the lead in the work on classification of agricultural activities and products and in a follow-up review of the current proposed ISIC and CPC structure. The close cooperation and consultation of FAO with the United Nations Expert Group on International Economic and Social Classifications and its Technical Subgroup should enhance application of ISIC and CPC for agricultural statistics.

21. An internal Task Force on Classifications was established at the FAO Statistics Division (FAOSTAT) in mid-2004 to review international classifications like ISIC, CPC and SITC/HS classifications of time use, censuses, occupation/work, and resources, and geographical and country classification systems, especially in the area of agriculture, and the list of commodities used by FAOSTAT within FAO.

22. The FAO Expert Group Meeting on Classifications (CPC and ISIC) in Agriculture, held at FAO headquarters in August 2004, was attended by approximately 30 internal/external experts to discuss the needs, uses and resulting requirements for agricultural classifications with a view to formulating proposals for changes in CPC and ISIC in order to make them more adequate for agricultural statistics.

23. As part of the development of FAOSTAT 2, a new list of agricultural products was created with about 600 primary commodities mainly derived from about 2,020 commodities in the Harmonized System. In addition, a list of 115 aggregated food items was identified for the purpose of compiling Food Balance Sheets and Supply Utilization Accounts. These items were HS-equivalent. Additional items to be included in CPC cover agricultural products, either traded across the border but not significant in monetary terms or produced mainly for domestic consumption, that are important in production, distribution and consumption. The rationale for the FAO proposals also includes the consideration of nutrient contents in the context of fighting against hunger and alleviating undernourishment. FAO prepared and presented its proposals for ISIC, Rev.4, and CPC, Ver.2.0, to the meetings of the United Nations Expert Group on International Economic and Social Classifications and its Technical Subgroup.

24. FAO will continue to work on the economic and social classifications in agriculture to improve the FAO proposals and ensure that they are properly incorporated in the next version of CPC and of ISIC. FAO will also continue its work on classifications in other areas such as time use, occupation/work, and resources, and SITC.

25. FAO will also lead the efforts towards building up a satellite account/alternate aggregate within ISIC for statistical data collection and policy analysis for agricultural and rural development.

Notes

[1] See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. V, sect. B, para. 4.

[2] Geneva, International Labour Office, 1990.

[3] Washington, D.C., International Monetary Fund, 1993.

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Indicators for monitoring the Millennium Development Goals and for follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields

Report of the Secretary-General

Summary

The present report has been prepared at the request of the Statistical Commission at its thirty-fifth session.[a] It describes the work of the Inter-Agency Expert Group on Millennium Development Goals Indicators in 2004-2005 in compiling and analysing the indicators, reviewing methodologies related to the agreed indicators, coordinating data compilation at the global level and coordinating support to countries which are establishing country-led programmes of data collection, analysis and reporting for Millennium Development Goals indicators. It also describes the 2004-2005 international work plan for Millennium Development Goals indicators leading up to the high-level plenary of the sixtieth session of the General Assembly to be held in September 2005, and the interrelation between international and national work on Millennium Development Goals indicators. The report is presented to the Commission for information.

[a] *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap I.A.

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I. Introduction

1. In 2001, as a follow-up activity to the adoption of the United Nations Millennium Declaration and to the request of the Secretary-General to regularly provide statistics and analysis to monitor progress towards the achievement of the Millennium Development Goals, the United Nations Statistics Division established the Inter-Agency Expert Group on Millennium Development Goals Indicators. The Expert Group is responsible for compiling statistics and analysis of trends for annual global reporting on the Millennium Development Goals, and defining methods and technical specifications for Millennium Development Goals indicators. In the course of its work and in consultation with country and donor participants, it has also identified key areas and strategies to strengthen statistical capacity in countries for the production of development statistics relevant to the Goals. The Department of Economic and Social Affairs of the United Nations Secretariat and its Statistics Division lead the work of the Expert Group and are responsible for pulling together the statistics and analysis on the Goals to be used as a basis for the Secretary-General's annual report to the General Assembly on the implementation of the Millennium Declaration (see A/57/270; A/58/323; and A/59/282 and Corr.1).

2. Monitoring is based on international data series compiled by specialized agencies responsible for the different areas covered by the Goals. To ensure full consultation and collaboration across the United Nations system, the other relevant international agencies and national statistical services, the Expert Group includes representatives from specialized agencies, including the Bretton Woods institutions and the Organization for Economic Cooperation and Development (OECD), the regional commissions, national statistical offices, bilateral and multilateral donors and ad hoc experts on selected topics. The Expert Group meets at least once a year to review methods, standards and available data for the agreed indicators, and reviews and analyses trends for each of the quantifiable goals and targets.

3. Other major United Nations conferences and summits in the economic and social fields have adopted sets of indicators for monitoring progress in the key areas identified in their outcome plans of actions and agendas and to inform the necessary policies. After the Millennium Development Goals indicator set was established, the Statistical Commission requested that a review of the conference indicators, as identified by the Friends of the Chair in relation to the Millennium Development Goals indicators, be carried out by an advisory committee on indicators. The committee, which was composed of national statistical experts from 13 member States, reviewed the correspondence between the main indicators as defined in the report of the Friends of the Chair on an assessment of the statistical indicators derived from United Nations summit meetings (E/CN.3/2002/26), and the Millennium Development Goals indicators (see E/CN.3/2004/33). At its thirty-fifth session, the Statistical Commission adopted the Committee's conclusions.

4. The present report will describe the work of the Expert Group on Millennium Development Goals indicators in 2004 and review plans for the preparation of Millennium Development Goals indicators and monitoring outputs to be issued in 2005, in connection with the series of events planned for the lead-up to the high-level plenary of the sixtieth session of the General Assembly to be held in September 2005.

II. Inter-agency work on monitoring progress

A. Global monitoring

5. The Expert Group met twice in 2004. At its first 2004 meeting, held in New York from 27 March to 1 April 2004, it reviewed the data series and analyses of trends compiled by agencies on progress towards the goals and targets for the preparation of the 2004 report; agreed on plans and timetable for preparing the Millennium Development Goals indicators and analyses for 2005 reporting; considered international work needed to further develop appropriate statistical methods and indicators to measure achievement of the goals and targets; and considered needed regional and country technical cooperation programmes to support statistical capacity-building in countries for Millennium Development Goals monitoring and programming.

6. Based on the inputs provided by the agencies, the Department of Economic and Social Affairs and its Statistics Division prepared a report entitled "Progress towards the Millennium Development Goals 1990-2004" (see http://millenniumindicators.un.org) and a statistical compilation and analysis of trends to inform the 2004 report of the Secretary-General to the General Assembly on the implementation of the Millennium Declaration (A/59/282 and Corr.1).

7. The Millennium Indicators Database maintained by the United Nations Statistics Division (http://millenniumindicators.un.org) was also regularly updated during 2004, with country data series provided by the responsible agencies on the agreed Millennium Development Goals indicators and on additional series provided as supplementary information for more in-depth analysis. Currently, the database contains the most recent data series as produced and provided by the partner agencies and consistent with the regional and global estimates which will be presented in the 2005 round of Millennium Development Goals global reporting.

8. At its second 2004 meeting, held in Geneva from 27 September to 1 October 2004, the Expert Group reviewed plans for reporting in 2005, prior to the high-level plenary to be held in September 2005, and assessed the availability of data for the 2005 round of reporting. The Expert Group also reviewed proposals and drafted a work plan for the production of a publication on progress in achieving the Millennium Development Goals 1990-2005, for worldwide distribution to the general public, media, opinion leaders and policy makers in 2005; discussed ways to improve methods and data-collection programmes for Millennium Development Goals indicators; reviewed trends and examples of country reports on progress towards the Millennium Development Goals; and discussed plans and a timeline for the release of other Millennium Development Goals-related outputs in 2005, including a Statistics Division Internet publication on Millennium Development Goals trends, the Millennium Indicators Database and other data sets produced by different agencies, with a focus on ensuring consistency and full adherence of data sets with the analysis presented in the main Millennium Development Goals reports and global sectoral reports. Eighty-three specialists attended the meeting from international agencies, the five regional commissions, national statistical offices and donor agencies. The Asian Development Bank and the European Union were also represented for the first time.

9. The Expert Group agreed on the outputs expected for 2005 to be issued in connection with the high-level plenary to be held in September 2005, as follows:

(a) A full set of data and analysis on Millennium Development Goals indicators to be submitted by the Statistics Division to the Executive Office of the Secretary-General as input for the comprehensive report of the Secretary-General to the sixtieth session of the General Assembly in 2005;

(b) A report for wide distribution on Millennium Development Goals trends 1990-2005, to be issued after the report of the Secretary-General to inform the political international debate on the Millennium Development Goals before the Millennium Summit to be held in September;

(c) The annual Internet publication prepared by the Statistics Division at its web site (http://millenniumindicators.un.org), containing detailed data and analysis on Millennium Development Goals and background indicators.

B. The Millennium Development Goals as national goals: country-level monitoring

10. An essential component of the Millennium Development Goals monitoring is the preparation of data and analysis of related trends at the national level in country Millennium Development Goals reports. The United Nations Development Programme (UNDP) is the lead agency in this work and has been assisting Governments and Millennium Development Goals country teams in the preparation and dissemination of their reports, through training and financial support.

11. The country reports are primarily oriented to national advocacy and public dialogue on the Goals. Millennium Development Goals national reports have now been produced in 94 countries and widely used to inform national debate and promote the production and use of statistics for policy-making and monitoring. Six countries have produced their second reports (Albania, Armenia, Bolivia, Cambodia, Lithuania and Senegal) and two, Cameroon and Viet Nam, have released their third consecutive annual report. The quality of Millennium Development Goals reports is increasing, both in terms of process and product, as countries acquire more experience. In particular, the reports are increasingly presenting data disaggregated across geographic regions and by sex. A review of all Millennium Development Goals reports to assess the inclusion of a gender dimension will be presented in 2005. All the country reports are available on the UNDP web site (http://www.undp.org/mdg/countryreports.html).

12. Two Millennium Development Goals regional reports, for the Arab States and Central Europe, were released in 2004, bringing the total number of regional reports to five. Subregional reports were also produced for the Caribbean and the South Pacific.

13. The Millennium Development Goals country reports are instrumental in raising awareness and helping focus national debate on development issues, and influence the national political process by drawing attention to priority-setting concerns and encouraging public dialogue. In Albania, for example, a Millennium Development Goals resolution was adopted by the Parliament. In Nepal, the Government has linked the poverty reduction strategy and the Millennium Development Goals in a comprehensive business plan. Political leaders have

become more involved in the launch of these reports, demonstrating their reinforced commitment. Country ownership is also more evident as more countries are tailoring their targets to fit national development plans and priorities.

14. Reporting by donor countries on goal 8 concerning global development partnership targets has also progressed. Denmark, the Netherlands, Sweden and Norway have launched Millennium Development Goals reports. Denmark has also recently completed its second report, and it was expected that Canada's first report would be completed before the end of 2004. The Norwegian report, besides goal 8, also covers progress on adapting its broader policies to help adjust the international framework conditions to the fight against poverty, and is urging other donor countries to report on the same area. The European Commission will also prepare a report in 2005. Finally, several developing nations have begun reporting on goal 8 from the recipient perspective in their reports, including Benin, Czech Republic, Guyana, Lebanon, Paraguay and Viet Nam.

III. Producing statistics to monitor the Millennium Development Goals

15. The Millennium Development Goals have succeeded in raising awareness that a sound quantitative knowledge of progress and shortfalls is an important element in reaching the final goals set by the Millennium Declaration.

16. The monitoring requirements have also clearly uncovered important shortcomings in the availability of data to monitor development efforts and limitations in the technical specifications and methods for the compilation of the Millennium Development Goals indicators. Producing the necessary data to monitor the Goals in countries where resources are limited is obviously a significant challenge. Aggregating the data to meaningful regional and global levels is another complex task. Finally, the documentation on sources and methods for some of the indicators — especially in policy areas that have only recently become the focus of monitoring — are still not fully developed.

A. Improving statistical methods underlying the Millennium Development Goals indicators

17. Over the past few years, the Expert Group has worked to promote improvement and better documentation on the standards and methods used in compiling and analysing Millennium Development Goals indicators, including finding ways to aggregate country data in a meaningful way, overcoming problems of comparability and, even more importantly, providing a meaningful analysis of the aggregate figures that represents the local situation. This work is undertaken through the Expert Group, through thematic subgroups established by it and through other inter-agency mechanisms bringing together specialized agencies in the various fields covered by the Goals.

18. The Expert Group's thematic subgroups were established in early 2004, after it had agreed at its meeting, in November 2003, that some areas needed urgent attention. The subgroups review methodologies and technical specifications related to Millennium Development Goals indicators, review data and data sources

normally available in countries in relation to the compilation of indicators at the country level and for inclusion in international data series, and suggest guidelines and capacity-building priorities to countries. The subgroups' outputs and suggestions are considered by the Expert Group, with the Statistics Division providing coordination. At its meeting in November 2003, the Expert Group established subgroups on gender indicators; poverty and hunger; environment; slums; and employment.

19. The subgroups held several meetings during 2004 and reported the outcome of their work to the Expert Group meeting held in September 2004. They presented their recommendations for follow-up and refinement to some of the indicators that have proved more problematic. Their recommendations will be further discussed following the 2005 summit. All subgroups have country representatives from national statistical services.

20. The Expert Group has closely monitored the work of the United Nations Millennium Project task forces. In most cases, some members of the task forces also participate in the subgroups, and vice versa.

21. An important part of the work of the subgroups is devoted to reconciling and finding ways to integrate data from different sources — as in the case of education enrolment and attainment — and to identify indicators that are more suitable for analysis at the national and subnational levels and can be presented at the disaggregated level for different population groups to be used in country reporting — as in the case of the gender indicator list identified for national reporting.

22. A detailed description of areas of work and recent development is contained in the annex.

B. Data requirement and statistical capacity-building

23. For several Millennium Development Goals indicators, data remain scarce, which for others most of the data available in international sources are estimated by the international agencies responsible for the data compilation. Although the use of international sources and global and regional estimates is justified by monitoring requirements and the political urgency of showing trends and shortfalls for advocacy purposes, the improvement of data production at the national level remains the first priority for the statistical community.

24. The availability of reliable statistics and the capacity of Governments to systematically measure and monitor development indicators is an indispensable factor for the achievement of the Millennium Development Goals in countries. However, many countries lack the statistical capabilities to regularly produce reliable data to address national policy priorities and inform and monitor necessary policies. Many countries do not have a sustainable, coherent programme of household surveys or administrative data systems which can be used to produce basic statistics routinely.[1] Where basic statistical systems are not available, global monitoring may have to rely on national and international estimates of varying quality and reliability. This may lead to misjudgments regarding progress and undermine the effectiveness of policy planning and the implementation of interventions at the national and subnational levels.

25. Recognizing that quantitative monitoring of progress is easier for some targets than for others and that high-quality data for some of the indicators are available for many countries, the Expert Group has discussed the need to assist countries in building national capacity.

26. The work on Millennium Development Goals indicators has clearly identified the need to mobilize substantial new national and international commitments to provide adequate and well coordinated resources to have a lasting impact on the development of national statistical services. Over the past three years, as commitments to the Goals have taken shape, Governments, agencies and donors have identified the statistical programme requirements for effective and sustained monitoring and have committed themselves to addressing these needs in a concerted fashion.

27. A major step in turning these commitments into action for statistical development was the endorsement of the Marrakech action plan for statistics: better data for better results, an action plan for improving development statistics, by the Second International Round Table on Managing for Development Results, held in Marrakech on 4 and 5 February 2004.[2] The action plan for makes a number of specific recommendations aimed at donors and the international statistical community to support the development of national statistical programmes and to ensure funding and technical support for statistical capacity-building. The Statistical Commission added its endorsement at its thirty-fifth session, in March 2004.[3]

28. The action plan calls for increasing resources to build statistical capacities in countries. The incremental funding needed to fully support the action plan is estimated at $118 million a year for building national statistical capacities such as population and housing censuses. The World Bank trust fund for statistical capacity-building has been replenished and renewed funding for the Partnership in Statistics for Development in the Twenty-first Century (PARIS 21) secretariat has been agreed. In March 2004, the World Bank approved a lending programme, to make it easier for countries to access loans and credits for implementing their statistical development plans. Ukraine and Burkina Faso are the first two countries to take advantage of this facility and others are planning to do so.

1. National strategies for the development of statistics

29. In the action plan, national policy makers and the international development community have agreed to give new urgency to strengthening statistical capacity to support the design, monitoring and evaluation of national development programmes, including poverty reduction strategies, sector strategies and the Millennium Development Goals, through mainstreaming strategic planning of statistical systems and preparing national statistical development strategies for all low-income countries by 2006. A national strategy for statistics provides a road map for strengthening statistical capacity across the entire national statistical system that builds on existing frameworks and improvement programmes and is mainstreamed into national policy processes, and provides a framework for mobilizing and harnessing national and international resources.

30. PARIS 21 regional activities comprise advocacy for the national strategy approach; a baseline assessment against which progress can be measured; regional workshops to support the design of national strategies; facilitation of financial and technical support for national strategy design; and reporting on progress. This work

is done in cooperation with regional organizations and development partners. Programme activities have been organized for Central America, the Andean Community, the Arab States, francophone African countries, the South African Development Community and East, South and Central Asia countries. To support these programmes, PARIS 21 has prepared documentation and guidelines (for current versions, see http://www.paris21.org).

2. International Household Survey Network

31. One of the action points of the action plan is the establishment of the International Household Survey Network, which held its first meeting in Washington, D.C., in June 2004. Its second meeting was held in Geneva on 27 September 2004, co-hosted by the World Health Organization and the World Bank. Its goals are to improve the availability, accessibility and quality of survey data and avoid duplication, reduce costs and alleviate the burden on national statistical systems. The Network recognized the need for international organizations engaged in household surveys to better coordinate their activities, and emphasized the importance of collaboration with country partners to ensure that national statistical needs are met. It agreed to work towards these goals through a programme of survey coordination, harmonization, and improved tools for archiving and dissemination of survey data and metadata. While focusing at first on achieving immediate results at the international level by increasing access to existing data sets and cooperation in the design and deployment of international surveys, the Network stressed the importance of promoting the demand for and use of sound statistics and of enhancing national capacity for survey programmes.

3. United Nations Development Programme activities in the area of statistical capacity-building

32. The focus of the poverty group of UNDP on the use of data for public and policy advocacy to build a stronger sense of national ownership complements other capacity-building activities that focus more on the production and supply of data.

33. The United Nations Development Group has developed a project to enhance the capacity of national statistical offices to maintain a central repository of data for Millennium Development Goals reporting and monitoring the impact of national development strategies. The project also provides training for users to make better use of Millennium Development Goals data and indicators and improve evidence-based management of development policy at the country level. With improved access to data and basic statistical training, the project will allow public advocates to monitor progress and tailor numerical targets to fit country-specific priorities, and to address intermediate and disaggregated targets. This project builds on the work of the United Nations Children's Fund (UNICEF) to develop the Millennium Development Goals monitoring software Devinfo. The project promotes the use of Devinfo as a central repository of data. Training materials were to be finalized by the end of 2004 and translated by the end of January 2005. There will be a handover to regional teams in early 2005. During 2005, regional teams will roll this project out to 30 countries.

4. Other activities

34. Training workshops on Millennium Development Goals indicators have been organized in Africa (September 2003 and December 2004), Western Asia (February 2004) and Asia by the United Nations Statistics Division, the regional commissions and the United Nations Human Settlements Programme, with additional support from UNDP, the United Nations Population Fund, United Nations Children's Fund and the United Nations Statistics Division. Additional workshops are planned in Africa, Western Asia and Latin America and the Caribbean in 2005. Participants are provided with training concerning definitions; methods of computation; potential problems with sources; the use of alternative sources and related implications; and methods for the interpretation, analysis and dissemination of Millennium Development Goals indicators. The Expert Group and the Statistics Division also coordinated the preparation of a common strategy on the needs for statistical capacity-building and specific recommendatic .s for scaling up statistical services for the report of the United Nations Millennium Project. The strategy recommends that statistics planning and organization should be concerned with the key statistical processes and systems needed, rather than with the production of ad hoc statistics on the Millennium Development Goals, which may be unreliable, duplicative and burdensome to national Governments. An effective statistical system which can meet the key data needs for results-based management and the measurement needs for the Goals must include:

(a) Effective and well-run national statistical services, based on an appropriate legal and institutional framework and equipped with sufficient financial and human resources, and an information and communication technology (ICD) infrastructure;

(b) Regular programmes of data collection and analysis, including a regular population and housing census; an integrated programme of household surveys for collecting current socio-economic and gender-disaggregated data; a programme for compiling economic statistics; and coherent systems for collecting statistics in specific social and environment sectors, in particular systems for collecting information on health, education, food and nutrition, and the environment.

Notes

[1] See, for example, the case studies and international study of the PARIS 21 task team on improved statistical support for monitoring development goals, available from www.paris21.org.

[2] The action plan was provided to the Statistical Commission at its 2004 session as a background document and is available at http://unstats.un.org/unsd/statcom/sc2004.htm.

[3] See *Official Records of the Economic and Social Council, 2004, Supplement No. 4* (E/2004/24), chap. V.D.

Annex

Improving the quality of data for the Millennium Development Goals indicators

Development of standards and guidelines

1. Poverty and hunger

1. The main problems identified in this area relate to the lack of internationally agreed guidelines for survey and measurement standards consistent with national accounting and suitable for developing countries; and difficulties in reconciling income and consumption data from household surveys and national accounting. Also, a long-term effort is needed to produce the necessary data and framework for the gender analysis of income and consumption and of intra-household distribution, including the development of methodologies to make better use of existing data sources, such as household and time use surveys.

2. The subgroup on poverty and hunger was formed to address these concerns. The following international and national statistical agencies have been part of the group: the World Bank; Food and Agriculture Organization of the United Nations (FAO); United Nations Conference on Trade and Development; International Labour Organization (ILO); Economic and Social Commission for Asia and the Pacific; United Nations Statistics Division; Development Policy and Planning Office; Department of Economic and Social Affairs of the United Nations Secretariat; UNDP and the national statistical offices of Mexico, Cambodia and Peru. The World Bank and FAO co-chair the working group.

3. The first meeting of the subgroup on poverty and hunger was held in New York on 1 April 2004. At that meeting, it was agreed that the subgroup would undertake the following tasks:

1. Prepare a better integrated storyline for goal 1 of the Millennium Development Goals for inclusion in the 2005 report. Gender issues and links with other Millennium Development Goals indicators would be considered.
2. Examine the links between the current outputs of the relevant Millennium Project task forces and the poverty-hunger storylines of the Millennium Development Goals progress report.
3. Discuss with the *2005 World Development Report* team the links between their ongoing analysis on equity and the Millennium Development Goals storylines on poverty-hunger.
4. Review additional indicators for complementing the 2004 storylines and for refinement of the Millennium Development Goals list of indicators after 2005.
5. Review the relevant data sources and assess the data gaps, with special emphasis on examining the relationship between poverty and gender.
6. Establish appropriate and efficient data-sharing procedures between member organizations of the subgroup.

7. Coordinate capacity-building activities on poverty and hunger statistics with the member organizations of the subgroup.

4. At the second meeting, held in Geneva on 28 September 2004, the following areas of work were identified as priorities:

1. Analyse data from income and expenditure surveys with a view to showing the links between different dimensions of extreme poverty, in particular income/consumption poverty and food deprivation;

2. Review different sets of poverty estimates to explain differences and help ensure transparency and clarity in presenting both the results and the methodology.

3. Propose ways to analyse the gender dimension of poverty.

4. Propose guidelines on surveys and measurement standards to improve the production of country data on poverty and hunger.

Work is ongoing and outputs will be reviewed at the next meeting of the subgroup.

2. School enrolment data

5. Within the subgroup on gender indicators, UNICEF prepared an analysis of gender differentials in education based on data from household sample surveys (Multiple Indicator Cluster Surveys and Demographic and Heath surveys) and administrative records data provided by the United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics. The group agreed that further research is needed and that UNICEF and UNESCO should continue to work together exploring and defining ways to optimize the use of different data sources for the monitoring of school enrolment and gender differences in access to education.

3. Literacy data

6. Literacy data do not generally distinguish between levels or skills of literacy and its functionality in daily life. UNESCO Institute for Statistics has launched a new literacy assessment monitoring programme, which aims to measure literacy across a spectrum of activities, from basic reading and writing to the higher-level skills needed to participate fully in a knowledge economy. The results of this programme will serve as a valuable indication of the state of literacy for individual countries, as well as an international benchmark against which progress will be monitored.

4. Gender

7. There are two main orders of problems with respect to gender. The first one concerns the indicators currently used to track progress towards goal 3 concerning gender equality and empowerment of women. The second one relates to the need to address a gender dimension in all other seven Millennium Development Goals. The subgroup on gender indicators over the last year has worked to address these issues and to provide recommendations to the Inter-Agency Expert Group and suggest guidelines to countries on how to best use available data to assess trends at the global, regional and national levels.

8. The subgroup is formed by the following agencies and offices: ILO, Inter-Parliamentary Union, World Bank, FAO, World Health Organization (WHO), UNESCO, UNICEF, United Nations Development Fund for Women, UNDP, Division for the Advancement of Women of the United Nations Secretariat, United Nations Statistics Division, Economic Commission for Europe, Economic and Social Commission for Western Asia, Millennium Project task force 3 and national statistical offices of Cambodia, South Africa and Mexico.

5. Child mortality

9. Extensive development and review of concepts and methods is ongoing, and innovative indicators to complement the Millennium Development Goals indicators could be developed for wide use within a few years, including coverage of desirable interventions.

6. Maternal health

10. Estimating maternal mortality rations remains a challenge for many developing countries, where death registration is not adequately developed. Efforts by international agencies have concentrated on reliable trend measurement, to be able to inform the Millennium Development Goals monitoring exercise in spite of the limitations in the available data. Results of a new trend analysis undertaken by the responsible agencies assisted by external consultants are now available. This analysis is based on the available "non-modelled" data, which are estimates based on existing country data, and indicates some decline in maternal mortality, especially in countries with middle level of maternal mortality. In countries with a high level of maternal mortality, an assessment is still not possible because of the inadequacy of data.

11. Work on process indicators and related data collection has also continued. These indicators have been extensively researched and work is ongoing to better understand their correlation with maternal mortality levels.

7. HIV/AIDS

12. Ways of expanding coverage of the data have been carried out, especially based on household surveys that include blood testing. Extensive further development and review of concepts and methods are still needed for the HIV/AIDS behavioural indicators. Similarly, the indicator on school attendance of orphans versus non-orphans has not proved to be effective in assessing the effectiveness of programmes to address AIDS orphans needs. Responsible agencies are working to identify an alternative.

8. Malaria

13. Guidelines on the development of indicators on malaria to be obtained through household surveys were developed within the Roll Back Malaria partnership. The manual, produced by WHO and UNICEF, covers a series of core indicators for population coverage that can be collected through household surveys that permit national-level monitoring of the technical strategies recommended by the Partnership.

9. Environment indicators

14. The development and review of concepts and methods is ongoing for most of the environment indicators in the Millennium Development Goals list. However, work is still needed to develop a more coherent and integrated framework for analysis and to produce specific recommendations that national agencies can use for the development of environment statistics and indicators.

15. On this first point, the subgroup on environment indicators agreed to prepare integrated storylines that provide a complete picture on sustainable environment needed for the achievement of the other Millennium Development Goals. The analysis prepared for the 2005 report covers five components of environment (biodiversity, atmosphere, water, aquatic productivity, and land productivity) and is based on the existing official Millennium Development Goals indicators for this target.

16. On the second point, the subgroup is developing a background paper to present recommendations for an integrated systematic framework for the compilation of environmental information to support the development of the Millennium Development Goals environment indicators, bearing in mind the requirements of developing countries for environmental information and their capacity for producing such information.

17. Work is also progressing on the refinement of concepts and methodologies and on improving the availability of data for global monitoring on specific environment indicators. For instance, for the indicator on solid fuels, for which data were initially scarce, there are currently 30 more countries included in the data series, bringing the total to 94.

10. Water and sanitation

18. Extensive development and review of concepts and methods was undertaken by the responsible agencies. New estimates were produced for both indicators, access to water and access to sanitation, which were presented in the 2004 report.

11. Slums

19. Extensive preliminary research and development of this indicator have recently begun to yield good results. Considerable further development and review of concepts, methods and collection programmes are still needed. Successful ways of expanding coverage of the data are at a very early stage, and measures of trends also need a considerable development effort and agreement.

12. Youth unemployment

20. The ILO has progressed in the development of an indicator to track progress on this target. The indicator "Labour productivity and decent employment by age and sex" measures decent and productive work by age and sex and helps highlight the relationship between employment and other goals.

13. Information and communications technologies

21. A partnership on measuring ICT for development involving several agencies (International Telecommunication Union, UNCTAD, OECD, UNESCO, World

Bank, Information and Communication Technology Task Force, regional commissions and national statistical offices) was launched in June 2004. The partnership hopes to achieve a common set of core ICT indicators, harmonized and agreed upon internationally, to build statistical capacity for information society indicators in national statistical offices of developing countries and to develop a global database on ICT indicators and make it available on the Internet. Regional workshops to discuss the results of metadata collection are scheduled to take place during the fourth quarter of 2004, the results of which will be consolidated at the global meeting to be held in February 2005.